



City of Newport Beach

Performance Plan

Fiscal Year 2011-12



Newport Beach, California

Performance Plan

Fiscal Year 2011-2012



Prepared for the Newport Beach City Council:

Mayor Michael F. Henn
Mayor Pro Tem Nancy Gardner
Council Member Keith Curry
Council Member Leslie J. Daigle
Council Member Rush Hill
Council Member Steven J. Rosansky
Council Member Edward D. Selich

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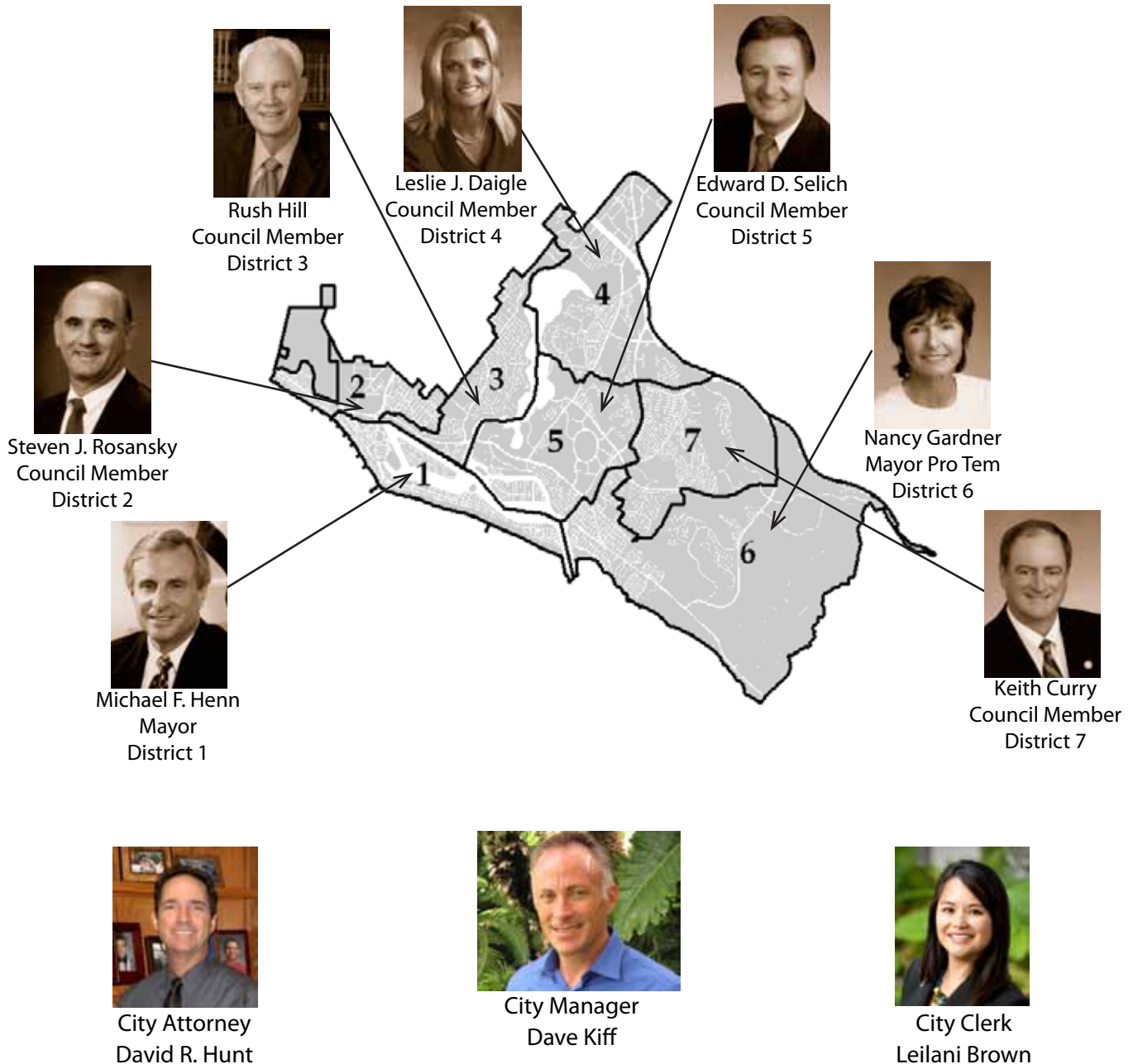
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INTRODUCTION



Newport Beach City Officials



Dana M. Smith	Assistant City Manager
Tracy M. McCraner	Finance Director/Treasurer
Kimberly Brandt	Community Development Director
Mike Morgan	Interim Fire Chief
Terri L. Cassidy	Human Resources Director
Cynthia Cowell	Library Services Director
Mark Harmon	Municipal Operations Director
Jay Johnson	Police Chief
Steve Badum	Public Works Director
Laura Detweiler	Recreation & Senior Services Director



CITY OF NEWPORT BEACH

Honorable Mayor Henn and City Council Members
City of Newport Beach
3300 Newport Boulevard
Newport Beach, California 92663

Dear Mayor Henn and Council Members:

As directed by the Newport Beach City Charter, I respectfully submit the 2011-2012 City Budget. As you know, the Budget is a plan of financial activity for the fiscal year that starts July 1, 2011 and ends June 30, 2012. The budget document is drafted to reflect Council policies, goals, and community priorities. It communicates to citizens and staff the program allocation decisions of the City Council.

Values. Listening to the community and your Council, the Management Team (comprised of all department directors) set aside time this past winter to prepare for this budget cycle by identifying the unique qualities and specific city services that contribute towards making the city great. These elements are used as a guide to allocating resources in this budget. We identified, and Council confirmed, these three core values about Newport Beach. We value:

- A high quality physical environment – becoming (and staying) the *Shining City by the Bay*.

This value encompasses the support and preservation of the natural environment as well as a focus on infrastructure development and maintenance at community centers, parkways and medians, roads, trees, alleys, beaches, and more. We believe that Newport Beach has a different “look” from other communities as you enter it, and we want to maintain that.

- Public safety and how city services and programs reinforce safety.

From core public safety services like police and fire to programs (recreation and senior services, CERT, and more) and infrastructure (parks, libraries, and more) that draw people out into their community, we give our residents great things to do and enjoy – when people are out and about and involved, bad elements stay away.

- Civic engagement.

We acknowledge and celebrate that this is a community that loves its many strong community activities, events, and groups and wants to be engaged with its city government.

Resource Prioritization. This is the second year of minimal-to-flat revenue growth. That has required even more attention to priorities and the wise distribution of resources. This budget was prepared to focus on programs and activities that support the values stated above. It also supports a continued focus on transformation of our local government to a more efficient, more accountable and performance-based organization. As such, the executive team is not only improving what we are best at, but also examining what we should not be doing. This budget builds in new opportunities to contract out certain services when it can be demonstrated that the private sector can perform these services with the same or better level of service and for less cost. These changes can be seen in some departmental budgets with reduced costs for personnel and increased costs for professional services.

I have greatly appreciated the City Council's past support in this regard. The Council's support and leadership for past and future restructuring and reductions is vital to the organization's success. In this Council-Manager form of government, the Council has appropriately filled its role in guiding management's approach and our organizational changes to ensure that this Budget and the City government meets the needs of its residents, businesses, and visitors in Newport Beach.

Performance Management Progress

The management team continues to focus on the long-term goal of improving our performance-management. This is a systemic approach to improving performance (service delivery and civic engagement) through results-based decision making, continuous organizational learning and development, and a focus on accountability and transparency. It's been challenging, especially given limited technology. But we're making progress. Previously, key service indicators have been identified for all City departments and were reported to Council on a quarterly basis, this has been replaced with the City Manager's Quarterly Business Report ("QBR") including more frequent budget updates and special project status tracking sheets.

This year we have transformed the Resource Allocation Plan into a Performance Plan which will continue to report on performance measures while taking the next step in performance budgeting to include more information about departmental programs and goals and tying departmental goals to the organization and to Council. Subsequent changes will allow us to present future budgets to you organized around programs (Program Budgeting) rather than divisions and departments. This type of budgeting is very powerful tool for refined decision-making. As noted, to make this next step will require our financial system to be upgraded to a true enterprise resource program ("ERP"). This budget reflects movement towards that goal with emphasis on a new IT service fund.

Outlook for Fiscal Year 2012

We have survived the recession, but it was not without hard choices and significant budget reductions. We also increased General Fund Reserves, in keeping with the 2010 Fiscal Sustainability Plan, that the Council thoughtfully advanced last year. We've done this during a time when many cities needed to access reserves to balance their budgets. While the recession appears to be over, the recovery is slower than many would hope. Revenue estimates, while increasing, are modest compared to years past.

I should not go much further without writing about pensions. Pensions must be addressed aggressively if California's cities are to remain prosperous. To that end, we have been proactively working with our CalPERS actuary to prepare for the projected increases in our pension costs resulting from the market losses of 2008-2009 and changes in actuarial assumptions (in plain English, retirees are retiring earlier and living longer).

Pension costs, for both public safety and miscellaneous employees, are projected to increase by \$8 million over a short two years to an estimated \$29 million spent per year by FY 2014. This budget reflects our successful negotiations with all non-safety bargaining units who agreed to pick up their entire employee member contribution over an 18-month period, increasing their contribution to approximately \$3 million by FY 2014. We have also successfully negotiated a partial retirement contribution (via a payroll deduction) from public safety bargaining units equaling \$1 million per year. Even with these successes, the city's taxpayers are still obligated to pay \$25 million to CalPERS for our pensions by FY 2014, an increase from FY 11 of \$6.6 million. We also have started "2nd Tiers" which mandate that new employees pay more for their pensions and participate in a less-generous pension formula.

Even these efforts need to be improved upon in upcoming negotiations. All City employees should be paying the share of the pension benefit that PERS suggests they pay – ranging from 8% of pay to 9% of pay. It's likely that we have to go beyond that, too.

Pensions v. Capital Improvements

This issue inevitably comes up whenever we talk about pension changes – “why is the City building and repairing things while it’s trying to reduce the increase in payroll and pension benefits?” It’s a simple answer to me – it’s because this community will only remain a successful and prosperous place because of the quality of our roads, parks, libraries, fire stations, and even water and sewer infrastructure. Those communities that neglect their backbone infrastructure to pay salaries or pension benefits will find themselves in a downward spiral of lowered property values and decreased business activity. We do not want to be one of those cities.

Core Budget Principles

So even though pension costs will rise, we still have a commitment to be the *Shining City by the Bay*. To that end, these are our core budget principles that move us into FY 2011-12 and beyond:

1. Adhere to and build on 2010’s Fiscal Sustainability Plan.
2. Use the 18-24 months as an opportunity to thoughtfully and methodically change the way our local government does business.
3. Our success includes our investment in our infrastructure.
4. We should stop doing some things: We don’t want 10 great programs today to become 10 mediocre programs tomorrow. We’ll keep seven or eight great ones.
5. We must address pension costs comprehensively and aggressively.
6. Public Safety is paramount – but there are still smarter, better ways of delivering public safety services without compromising safety.

Balancing these needs has not been easy, but management has taken a deliberative and disciplined approach to the programs proposed in this budget. City Council considered the following proposals when adopting the Fiscal Year 2011-12 Budget:

- Close an operating shortfall in the General Fund of approximately 6% or almost \$8 million.
- Reduce about 34 full-time equivalent positions, with about 10 of those that may result in layoffs.
- Continue a careful effort to outsource certain city services, provided that a contractor can perform the same or better level of service at less cost to the City.
- Maintain our commitment to field-level law enforcement by moving more officers out of specialty assignments and into patrol positions where they are on the streets on a regular basis.
- Maintain our fire suppression and EMS services, as well as our well-regarded Community Preparedness programs like CERT.
- Reduce some of our full-time lifeguard staff, but maintain a sufficient budget to safely staff days where conditions warrant additional guards on the beaches.
- Fully fund our facilities financing plan for the timely replacement of all major facilities.
- Reduce some of the benefits and discretionary grant resources allocated to the City Council, to comply with the City Charter and to show the Council’s commitment to being part of the overall reduction effort.
- Begin to increase the annual General Fund allocations for important infrastructure projects like medians, streets, sidewalks.
- Begin to build the critically-important IT replacement fund.
- Maintain our library system including Central, Mariner’s, Balboa, and CdM. 2012-13 will see Central grow by about 17,000 square feet, an exciting addition that will further energize one of our most popular resources.
- Protect our current level of reserves which was critical in obtaining our AAA credit rating from all three rating agencies. This budget does not use reserves for operating expenses.
- Increase programs at the OASIS Senior Center to keep up with customer demand.

The budget maximizes existing staff resources and confirms the commitment to maintain the high levels of service that the community expects and deserves.

Looking to Fiscal Year 2012-13

The budget that you see for FY 2011-12 gets us a little more than half-way to where we need to be if we are to effectively meet our strategic goals. As such, FY 2012-13 will be another challenging year for us, but an exciting one, too. We have the opportunity to be a part of significant change in local government, where regional collaboration, effective private-sector provision of services, and solid public service provision will ensure the long-term success of our communities. As such, you will see the City Council and management team working on a variety of important initiatives in FY 2012-13, including but not limited to:

- An IT Strategic Plan to help us use technology better to be smarter, faster, and leaner.
- Collaboration with neighboring cities like Costa Mesa, Irvine, and Huntington Beach on a large range of services, including public safety services.
- More contracting out – again where it makes sense.

I will close with some thoughts about our employees – my colleagues. Downsizing with layoffs is one of the hardest things a city manager has to do. Especially since I work with many of the finest public servants that I've ever seen. They are often overworked and underappreciated – and yet I still pile more work on them. "Can't you squeeze this one more thing in?" I ask. Almost always they are able to do so, with smiles on their faces.

They have a commitment to their professions, to the city government, and to the people of Newport Beach. I admire very much their work ethic and the fact that they have stayed focused on the tasks at hand despite budget reductions, noise from actions in neighboring cities, and worrying about family or friends impacted by the recession and downsizing elsewhere. So let me thank them here – I appreciate you very much and look forward to working with you in the years ahead.

Finally, the fine group in the Finance Department deserves my thanks for pulling together a very challenging budget with several moving parts. Parts that still seem to keep moving longer than they should. They did this even while modernizing the look, feel, approach, and data within the budget documents. I saw many a late night or weekend e-mail go out these past months from our Finance team. Thank you and nice job.

Respectfully submitted,



David Kiff
City Manager

FINANCE DIRECTOR BUDGET SUMMARY

The budget of the City of Newport Beach is intended to be a reflection of the City policies, goals, and priorities. It communicates to citizens and staff what program allocation decisions have been made by the City Council. The budget maximizes existing staff resources and confirms the commitment to maintain the high levels of service that the community expects and deserves.

Here is a summary of the FY 2011-12 budgets for all funds:

ADOPTED BUDGET - ALL FUNDS

<u>Appropriation</u>	<u>Estimated</u>	<u>Adopted</u>	<u>Increase (Decrease)</u>	
	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>Amount</u>	<u>Percent</u>
Operating Budget	202,666,919	204,375,737	1,708,818	0.84%
Capital Improvement Budget	161,585,341	51,176,740	(110,408,601)	-68.33%
	<u>364,252,260</u>	<u>255,552,477</u>	<u>(108,699,783)</u>	<u>-29.84%</u>

GENERAL FUND vs. TOTAL BUDGET

The General Fund is the key operating fund within the City's budget. The General Fund is used to account for discretionary revenues and expenditures while all other funds are used to account for enterprise activities, internal service activity, major capital improvement projects and special revenue sources that are otherwise restricted for specific purposes. Enterprise funds include the activities of the Water and Wastewater operations. Internal service funds are essentially internal cost centers used to account for centralized activities including claims management, equipment replacement, compensated absences and post employment medical benefits. Capital project funds account for major facility and infrastructure improvements, such as the new Civic Center and OASIS Senior Center. Special revenue funds include Gas Tax revenues, Measure M taxes and revenues generated from Tidelands just to name a few. For the purposes of this overview, enterprise activity, special revenue sources and major capital improvement funds are segregated from General Fund activity and are summarized as "All Other Funds."

REVENUE FORECAST

Overall the economy has continued to modestly recover from the Great Recession. The City's revenues are projected to return to the pre-recession levels of FY 2008-2009, the year of the national financial crisis. However, the housing market recession is far from over and the unemployment rate remains at record high levels. With this being said, we are projecting FY 2011-12 General Fund revenues at \$149.2 million, which represents an increase of approximately \$4.1 million, or 2.8%, from our FY 2010-11 estimated revenue.

Property tax revenues account for almost 50% of total General Fund revenues and are estimated to increase approximately \$1.5 million over FY 2010-11 budgeted property tax revenues due to modest increases in secured property tax. While the national and state-wide housing figures are still suffering, the City of Newport Beach remains in the positive growth area as it has throughout the recession.

Sales tax and Transient Occupancy Taxes (TOT) are the next largest components of the City's General Fund making up a little more than 25% of total General Fund revenues. The FY 2011-12 sales taxes estimated revenue is \$19.3 million, an increase of 8.15% over FY 2010-11 budget of \$17.8 million. Consumer confidence has continued to improve throughout FY 2010-11 and retail sales are reporting a growth of 7% in a year over year comparison reported in March 2011. Newport Beach has recognized a modest growth in sales tax revenue throughout FY 2010-11 with the categories of high end auto sales and restaurant activity leading the pack, as is typical within our city.

TOT is budgeted to increase over the FY 2010-11 estimated revenue by 13.5%, or \$1.8 million, to \$15.6 million in FY 2011-12. We have far exceeded the FY 2008-09 TOT revenue levels primarily as a result of the Pelican Hill Luxury Resort which opened its doors in the height of the economic meltdown during FY 2008-09. Again, consumer confidence and a recovering economy are noticeably bringing more visitors to Newport Beach.

FY 2010-11 has also been the year when our building and planning permit activity has increased to pre-recession levels. We are estimating an almost 20% increase in building and planning revenue, or \$500,000, over the FY 2010-11 original budget. The FY 2011-12 budget continues this activity and includes almost \$3.5 million for permit revenue, which is projected to continue at FY 2010-11 levels.

The table below highlights some of the areas of change and projected change in General Fund revenues and all other revenues:

<u>Revenue</u>	<u>2010-11 Original</u>	<u>2010-11 Amended Budget</u>	<u>2011-12 Adopted Budget</u>	<u>Change from Amended</u>
Total Property Taxes	\$ 70,642,840	\$ 71,574,069	\$ 72,155,615	0.81%
Taxes Other than Property	43,732,841	44,442,039	45,977,167	3.45%
Licenses and Permits	2,678,975	3,456,238	3,781,829	9.42%
Intergovernmental	1,840,272	2,213,704	1,660,748	-24.98%
Charges for Services	13,878,895	14,861,989	13,858,880	-6.75%
Fines, Forfeitures & Penalties	3,651,000	3,668,337	3,604,300	-1.75%
Use of Money and Property	8,282,797	8,032,585	7,801,469	-2.88%
Other Revenue	433,050	909,932	364,600	-59.93%
Total General Fund Revenue	145,140,670	149,158,893	149,204,608	0.03%
All Other Revenue	199,820,865	201,446,895	77,051,511	-61.75%
Total City Revenue	344,961,535	350,605,788	226,256,119	-35.47%
Less Internal Premiums	(13,457,524)	(13,457,524)	(19,451,741)	44.54%
Total City Revenue Net of Internal Charges	\$ 331,504,011	\$ 337,148,264	\$ 206,804,378	-38.66%

Total City revenues, excluding internal premiums, are expected to decrease \$124.3 million, or 35%, over revised projections for FY 2010-11, from \$350.6 million to \$226.3 million. The reason for this decrease is due to the \$127 million bond issuance to finance the new Civic Center and potentially other facilities that was transacted last fall. If the revenue related to the bond issuance is removed from the comparison, total FY 2011-12 City revenues would be \$3.5 million, or 1.6%, over revised FY 2010-11 estimates.

EXPENDITURE FORECAST

The General Fund contains expenditures for all operating City departments except for the Harbor Resources Division within the Public Works Department, the Oil and Gas Division of the Municipal Operations Department, and Parking Lot operations in the Finance Department which are funded through Tidelands, and the Water and Wastewater Divisions within the Municipal Operations Department respectively. The General Fund is the main operating fund for the City and is generally of most interest to residents as it is funded predominantly, 73%, by tax revenues.

As mentioned in the City Manager's transmittal letter, this budget focuses on programs and activities that support three core qualities that make Newport Beach special: a high quality physical environment; a sense of community enjoyment and safety; and, engagement within the community and with City government. This has caused the City departments to continue to review all programs to ensure they support these core values and at the same time look for departmental operating reductions or increased revenue opportunities.

After careful and deliberative review the FY 2011-12 adopted General Fund expenditures, excluding General Fund capital improvements, total \$145.3 million, a modest increase of approximately \$500,000 from the original FY 2010-11 operating budget. This \$145.3 million includes increases in pension costs for both miscellaneous and public safety employees, contracted inflation adjustments previously approved by Council, a reduction in operating department budgets of almost \$8 million and a reduction of full time city employees of more than 40 full time equivalent positions in addition to many other restructuring efforts.

New General Fund capital improvement project funding for FY 2011-12 will be \$2.0 million, however \$2.5 million projects will be re-budgeted from FY 2010-11 to FY 2011-12. It is also part of the City Manager's long-term planning to increase this annual allocation to General Funded CIP projects back to \$5 million per year as was customary before the recession.

Function and Activities	2010-11 Original Budget	2010-11 Estimated Budget	2011-12 Adopted Budget	Change from Revised
GENERAL FUND BUDGET				
General Government	\$ 15,723,625	\$ 15,986,684	\$ 13,420,800	-16.05%
Public Safety	\$ 76,878,354	\$ 77,141,978	\$ 75,560,627	-2.05%
Community Development	\$ 7,910,348	\$ 8,231,880	\$ 8,849,881	7.51%
Public Works	\$ 28,892,972	\$ 29,335,716	\$ 30,521,154	4.04%
Community Services	\$ 14,063,479	\$ 14,148,521	\$ 15,335,929	8.39%
Debt Service	\$ 780,000	\$ 765,000	\$ 780,000	n/a
Non-departmental	\$ -	\$ -	\$ 800,000	n/a
Total General Fund Operating Budget	\$ 144,248,778	\$ 145,609,779	\$ 145,268,391	-0.23%
General Fund CIPs	\$ 5,054,497	\$ 3,387,383	\$ 4,567,100	34.83%
Total General Fund Budget	\$ 149,303,275	\$ 148,997,162	\$ 149,835,491	0.56%
TOTAL CITY BUDGET				
Total Operating Budget	\$ 187,928,187	\$ 202,666,919	\$ 204,375,737	0.84%
Total CIP Budget	\$ 52,916,798	\$ 161,585,341	\$ 51,176,740	-68.33%
Total City Budget	\$ 240,844,985	\$ 364,252,260	\$ 255,552,477	-29.84%
Less Internal Charges	\$ (14,149,469)	\$ (13,457,524)	\$ (19,451,741)	44.54%
Total City Budget Net of Internal Charges	\$ 226,695,516	\$ 350,794,736	\$ 236,100,736	-32.70%

Total City expenditures in FY 2011-12, including debt service and capital projects, are projected to be \$255.6 million. Excluding internal service premiums charged to fund insurance reserves, equipment maintenance and replacement, and post employment medical benefits, total expenditures will be approximately \$236.1 million. The budget variance between total external revenues and expenditures is due to the timing of Capital Improvement Project (CIP) revenues and expenditures. CIP projects often span several fiscal years and it is estimated that \$26.2 million in CIP projects will be rebudgeted from a prior fiscal year because the project was delayed or is only partially completed. These funds are reserved in a Capital Appropriations reserve, but when the appropriation is carried forward to the following year, this re-appropriation causes expenditures to exceed revenues in looking at the current year view. As the City moves forward with the IT Strategic Plan we are looking forward to reporting expenditure and appropriation data on a project level versus the annual budget cycle that is currently available.

CAPITAL IMPROVEMENT PROGRAM (CIP)

The CIP serves as a funding plan for public improvements, special projects, and many ongoing maintenance programs. Projects in the CIP include construction and rehabilitation of arterial highways, local streets, storm drains, bay and beach improvements, parks and buildings, and water and

wastewater improvements. The FY 2011-12 CIP budget is just approximately \$51.2 million, more than \$26.2 million in new project funding and approximately \$25.0 million in projects that will be re-budgeted or carried forward from FY 2010-11 to FY 2011-12.

Category	FY 2011-12 Budget
Facilities	\$3,300,000
Streets and Drainage	16,126,140
Traffic	2,424,300
Parks, Harbors and Beaches	19,918,200
Water Quality and Environmental	3,838,600
Water	3,600,000
Wastewater	750,000
Miscellaneous	1,219,500
	<u>\$51,176,740</u>

Specific project plans for this budget year are discussed in more detail in the CIP section of the Budget documents, as well as the printed Capital Improvement Program budget document. There is also a summary of Historical Capital Projects Spending in the Appendix Section of this document.

FUTURE OPPORTUNITIES

The FY 2011-12 budget is balanced, but this was not without hard choices and significant changes in our operational structure. The city must continue its multi-pronged approach of looking to enhance program revenues, reduce operating costs without negatively impacting service levels to the community and focusing on our core values. FY 2012-13 we will continue our restructuring efforts, looking for better and more efficient methods for providing service to our community. We will work with our public safety bargaining units to provide long-term solutions for pension costs, we will continue to look for services which could be provided by contractors and others in a better and less expensive manner, and we will also look at regional efforts and join forces with our partner communities.

IN CONCLUSION

The development of the City's annual budget takes an enormous amount of staff time and effort, and this year, especially so, given the tough decisions that were made to move the organization forward in a new direction. I am proud of how management staff worked collaboratively to bridge our budget gap and join together to make these very difficult budget decisions. I want to also thank my finance team, their professionalism, dedication and technical abilities are above reproach and it is an honor and a privilege to represent such a great team of professionals. My sincere appreciation is extended to the City Council and City Manager for their leadership and support; and, to all department directors, division managers, and departmental budget liaisons for their contributions. This document was completely prepared and published by City employees.



Tracy McCraner

Finance Director-Treasurer



CITY OF NEWPORT BEACH BUDGET FOR FISCAL YEAR 2011-2012 User's Guide

Each year the City prepares and adopts, by formal Resolution, an annual budget as required by the City's Charter. The budget is the operating and capital expenditure plan for the City for the fiscal year beginning on July 1 and ending on June 30 of the following year.

Budget Process — During December of each year, the Finance Department prepares preliminary fund balance estimates for the current year and preliminary revenue estimates for the next fiscal year. In January of each year, the Finance Department prepares a budget calendar and issues budget instructions and expenditure detail to each department for use in preparation of the next year's City budget. Included in these instructions are budget guidelines and appropriation limits for each department. These guidelines are developed by the Finance Director and approved by the City Manager.

After submission of revenue and appropriation requests by each department, the Finance Department summarizes the requests for review by the City Manager and department heads. After review at the City Manager level, the Finance Department prepares the City's proposed budget for the next fiscal year and submits it to the City Council. Thereafter, the City Council holds as many budget study sessions as it deems necessary. Subsequent to Council review and prior to its final adoption, the City Manager provides each Council Member with an itemized list of all proposed changes to permit a roll call vote by the City Council on each item during the budget hearing at the regular Council meeting. The City Council holds the budget hearing and adopts the budget on or before June 30 as required by the City Charter. Citizen input is encouraged during the Council study sessions or during the budget hearing.

The Budget is prepared on a modified accrual basis with all appropriations lapsing at the close of the fiscal year. If an expenditure of an appropriation is required but unexpended at the close of the fiscal year, the appropriation must be rebudgeted or reappropriated by the City Council.

Administration of the Annual Budget — During the budget year, department heads and their designated representatives may only authorize expenditures based on appropriations previously approved by City Council action, and only from accounts under their organizational responsibility. In addition, budget expenditures may only be authorized in the year appropriated. Department heads are responsible for not authorizing expenditures above budget appropriations in any given expenditure classification within their purview, without additional appropriation or transfer as specified below.

New Appropriations. During the Budget Year, the City Council may appropriate additional funds for special purposes by a City Council Budget Amendment. The City Manager has authority to approve requests for budget increases not to exceed \$10,000 in any Budget Activity or Capital Project. All budget amendment increases exceeding \$10,000 shall be referred to the City Council for approval.

Transfers. During the fiscal year, actual expenditures may exceed budget appropriations for specific expenditure line items within departmental budgets. If a total departmental budget, within a specific Classification, is not exceeded, the Finance Director has the authority to transfer funds within that Classification and department, to make the most efficient use of funds appropriated by the City Council. (Salaries and Benefits, Maintenance and Operation, Other Charges, and Capital Outlay are the City's four Classifications.)

Realignments. Further, funds may be realigned between one Department Budget Activity and another, within the same Classification, with City Manager approval. For example, if a Fire Department function and the employee who accomplishes it are replaced by a slightly different function assigned to the Police Department, the City Manager may authorize the transfer of appropriate salary and benefit funds to support this function.

Reprogramming. Any reprogramming of funds among the four Classifications (Salaries and Benefits, Maintenance and Operation, Other Charges, and Capital Outlay) within a given fund requires the City Manager's approval. Any budget revision that changes the total amount budgeted for any fund (other than the minor provisions allowed for the City Manager) must be approved by the City Council.

Capital Projects. The department head having primary responsibility for a Capital Project (usually the Public Works Director) is authorized to encumber and approve subsequent expenditure of City funds for Capital Projects. However, contracts in excess of \$120,000 require specific City Council authorization at the time of contract award. In addition, any contracts not of format and wording already approved by the City Attorney require specific City Attorney review and approval prior to contract award.

The budget document is intended to provide the public concise and readable information about the City of Newport Beach's proposed operating and capital budgets, as well as anticipated funding sources.

The document is actually prepared in three separate volumes: the **Performance Plan**, the **Budget Detail**, and the **Capital Improvement Program**.

The **Performance Plan** is designed to be the summary "user friendly" document for the public. It is divided into the following five major sections: (The Table of Contents lists every subject covered in the budget document and its page number.)

Introduction — includes the Table of Contents, City Organization Chart, List of City Officials, the City Manager's Letter of Transmittal, and the Finance Director's Budget Summary.

Summaries — includes Revenues by Source, Expenditures by Function, Estimated Fund Balances, and Schedule of Fund Transfers.

Department Budgets — includes proposed operating budgets by department.

Other Budgets — includes a description of internal service funds, debt service information, and the proposed capital improvement budgets by funding source.

Appendix — includes a summary of the Tide and Submerged Land Fund; a Capital Asset Schedule (Land, Structures and Improvements for the City); a summary of Rolling Stock in Service; a Three Year Comparison of Full-time and Full-time Equivalent Positions; a history of capital projects spending; and a glossary of accounting terms and definitions of terms used in the Newport Beach Budget documents.

Both the **Budget Detail** volume and the **Capital Improvement Program** volume are designed to provide the reader more detail on the proposed operating and capital improvement expenditures. The **Capital Improvement Program** volume also serves as a Five Year Proposed Capital Improvement Plan.

For the most part, the General Fund is the portion of the City's operating budget that funds the majority of City services. This fund is used to account for fiscal resources which are dedicated to the general government operations of the City, and which are not required to be accounted for in another fund. Examples of the services funded by the General Fund include Police, Fire, and Lifeguard Services; Refuse Collection; Public Library; Recreation Programs; much of the City's expenditures on street maintenance; Community Development, and Engineering services; as well as the general administration of the City. In addition, many Capital Improvements are funded by the General Fund.

The General Fund and its activities are primarily supported by property, sales, and transient occupancy taxes. In addition, the other revenue sources supporting General Fund activities include: Licenses, Fees and Permits; Intergovernmental Revenues; Charges for Services; Fines, Forfeitures and Penalties; Revenue from the Use of Money and Property; Contributions; and Other Miscellaneous Revenue. By far,

the City's largest revenue source is property taxes. The City's second largest single revenue source is Sales Tax, followed by Transient Occupancy Tax. Together, these three revenue sources provide just over 70% percent of total General Fund revenues.

In addition to the City's General Fund, there are numerous other funds that help finance City expenditures, particularly capital improvements. The City's Special Revenue Funds are used to account for the proceeds of special revenue sources, which are legally restricted to expenditures for specific purposes. The best example of a special revenue fund is the City's Gas Tax Fund, which is funded by the State Gasoline Tax, and which can only be expended for street repair, construction, and maintenance. The City has many other special revenue funds that are all included in the Budget.

The City employs Internal Service Funds to account for vehicle maintenance and replacement, as well as all compensated absences, general liability, workers' compensation, and other insurance payments. Beginning in FY 2011-12, the City is creating an internal service fund for Information Technology. These internal service funds are funded by charging each of the operating departments a rate computed to support these activities.

Finally, the Budget includes Enterprise Funds, which are used to account for City operations that are financed and operated in a manner similar to private business enterprises. The objective of segregating activities of this type is to identify the costs of providing the services, and to finance them through user charges. The two main City enterprise funds are the City's Water Fund and the Wastewater Fund. Both of these funds are financed by user charges to the customers (residents and businesses of Newport Beach).

Appropriation (Gann) Limit — Article XIIIB of the California Constitution (Proposition 4) specifies that tax based appropriations of government entities (with certain exclusions) may increase annually only by a limited amount (primarily to allow for population increases and inflation). Newport Beach has been *under* its Gann Limit by a comfortable margin each year. For 2011-12, the appropriations limit adopted by the City Council, in accordance with Revenue and Taxation Code Section 7910, was \$137,963,210. Calculations determining this amount, which is \$29.5 million greater than the budgeted proceeds of taxes (even without adjusting for exclusions) are verified as part of the City's annual audit.

In addition to the Annual Budget, the City's audited financial statements for the prior fiscal years are available in the Finance Department, City Clerk Department, and each of the City's library branches.

Fund Balance Policy — Reserve Policy F-2 in the City of Newport Beach Council Policy Manual identifies various constraints imposed on reserve balances established by City Council. This policy, in part, identifies the Contingency Reserve balance in the General Fund shall have a target balance of fifteen (15%) General Fund, Operating Budget.

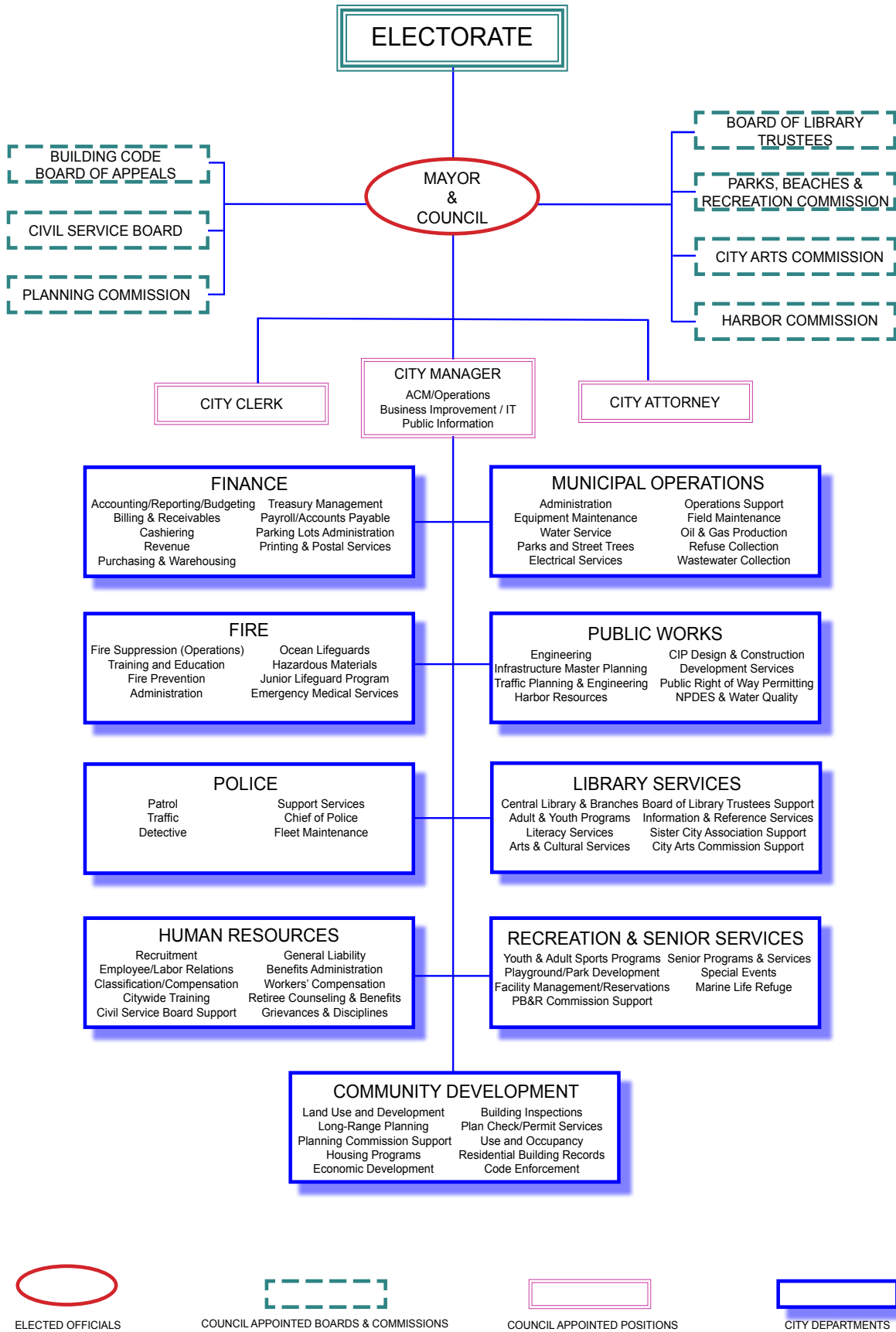
In addition to the General Fund's reserves, other reserve policies have been established for the perpetual replacement of equipment and major facilities; the pre-funding of claims, judgments and compensated absence payables and the funding of stabilization and contingency reserves levels in the Water and Wastewater enterprises.

Debt Administration — The City does not issue debt instruments to finance operating activities; therefore Debt Service Expenditures are the result of capital financing ventures. There are two principal reasons why debt instruments are issued. The first circumstance is when the cash flow for the construction or purchase of a long-term asset would cause a significant strain on the City's cash flow and the asset to be financed will benefit many service periods. In no instance would the City select the duration of a given debt instrument to extend beyond the expected life of the asset financed. The second scenario arises when an asset to be purchased may not cause a significant cash flow strain but it would be economically advantageous to finance the asset rather than to purchase it outright (e.g. occasionally the City can borrow money at a lower rate than its investment portfolio is earning). Information regarding the City's current Debt Service Expenditures is included in the section entitled, Other Budgets.

Cash Management — The City pools all cash and investments of all funds, except for funds required to be held by outside fiscal agents under the provisions of certificates of participation and investment funds in its deferred compensation plan. Under the provisions of the City's investment policy, and in accordance with Section 53601 of the California Government Code, the City may deposit and invest in the following:

- Certificates of Deposit
- Negotiable Certificates of Deposit
- Bankers Acceptances
- U.S. Treasury Issues
- Federal Agency or U.S. Government-Sponsored Enterprise Obligations
- Commercial paper
- Repurchase Agreements and Reverse Repurchase Agreements
- Passbook Savings Accounts
- Local Agency Investment Fund (State of California)
- County Investment Pool (Los Angeles)
- Medium Term Corporate Bonds/Notes
- Mortgage-backed Securities and Asset-backed securities
- Municipal Bonds
- Money Market Funds

The City allocates interest to all funds as required by Federal, State, County, or local code. Each fund allocated interest is indicated on the Revenue Summary of the Budget Detail book.



Mission Statement

"Newport Beach is an exceptional community because of its nautical heritage, the natural beauty of the bay and ocean, and its outstanding enhancements.

As employees of the City of Newport Beach, we have been entrusted to be the stewards of the quality of life cherished by those who live, work and visit here.

In support of that trust, we commit to provide excellent service that respects the uniqueness and diversity of the community."

Organizational Values

As Employees of the City of Newport Beach,
we choose to embrace and practice the following values:

In practicing **integrity**, we strive to be honest, reliable, respectful, ethical, fair, and authentic.

We will serve in a manner consistent with community values
and follow through on our commitments.

In practicing **empathy**, we will be sensitive to the needs of others by being compassionate, thoughtful, open-minded, willing to understand, and by being good listeners.

In practicing **service**, we understand our roles as representatives of the City.

We will endeavor to practice humility, to make things better for others,
and to treat others, as we want to be treated.

In practicing **excellence**, we will strive to do our best by
demonstrating competence and a commitment to quality.

We will be innovative, thorough, efficient, and effective in our work.

In *creating a* **positive work environment**, we will express our appreciation for,
and recognize, others. We will follow a work ethic, take pride of ownership in our work,
be courteous, encourage creative thinking, seek and be open to challenges,
create esprit de corps, maintain a safe environment, and act with enthusiasm.

In creating **unity of purpose**, we will practice cooperation and teamwork.

We will practice open communication by keeping others informed,
considering the needs of others, and at times deferring to the needs of others.

In practicing **responsibility**, we will be accountable in our work, take initiative,
make appropriate decisions, and act decisively.

We will acknowledge our errors and correct them.

In practicing **loyalty**, we will respect the individual and the position.

We will support each other, abide by decisions,
and strive to always present a positive image of the City.

SUMMARIES



REVENUE SUMMARY 2011-12

Fund/Revenue Category	2008-09 Actual Revenue	2009-10 Actual Revenue	2010-11 Original Revenue	2010-11 Revised Revenue	2011-12 Proposed Revenue	Percent Increase (Decrease)
GENERAL FUND						
PROPERTY TAXES	70,126,680	71,999,679	70,642,840	71,574,069	72,155,615	0.81%
TAXES OTHER THAN PROPERTY	45,086,961	41,357,702	43,732,841	44,442,039	45,977,167	3.45%
LICENSES AND PERMITS	2,896,033	2,603,618	2,678,975	3,456,238	3,781,829	9.42%
INTERGOVERNMENTAL	2,597,107	2,693,785	1,840,272	2,213,704	1,345,748	-39.21%
CHARGES FOR CURRENT SERVICES	15,230,314	15,210,976	13,878,895	14,861,989	13,925,055	-6.30%
FINES, FORFEITURES & PENALTIES	3,711,086	3,739,303	3,651,000	3,668,337	3,604,300	-1.75%
USE OF MONEY AND PROPERTY	9,346,556	7,495,504	8,282,797	8,032,585	7,801,469	-2.88%
OTHER REVENUE	1,139,755	1,814,044	433,050	909,932	364,600	-59.93%
FISCAL YEAR CLOSING ENTRY	-	-	-	1,000,000	-	-100.00%
TOTAL GENERAL FUND	150,134,492	146,914,612	145,140,670	150,158,893	148,955,783	-0.80%
ASSET FORFEITURE FUND						
INTERGOVERNMENTAL	105,045	316,650	-	334,600	20,000	-94.02%
USE OF MONEY AND PROPERTY	8,084	7,508	3,689	3,689	60	-98.37%
OTHER REVENUE	-	-	-	-	-	0.00%
TOTAL FORFEITURE FUND	113,129	324,158	3,689	338,289	20,060	-94.07%
OTS GRANT						
INTERGOVERNMENTAL	239,949	183,538	40,279	227,507	-	-100.00%
TOTAL OTS GRANT FUND	239,949	183,538	40,279	227,507	-	-100.00%
SLESF - COPS FUND						
INTERGOVERNMENTAL	81,004	119,072	80,000	100,569	136,175	35.40%
USE OF MONEY AND PROPERTY	659	747	150	150	-	-100.00%
TOTAL SLESF - COPS FUND	81,663	119,819	80,150	100,719	136,175	35.20%
JAG FUND (FORMERLY LLEBG)						
INTERGOVERNMENTAL	13,825	67,672	-	13,322	-	-100.00%
USE OF MONEY AND PROPERTY	-	285	-	-	-	0.00%
TOTAL LLEBG FUND	13,825	67,957	-	13,322	-	-100.00%
CDBG FUND						
INTERGOVERNMENTAL	551,715	470,499	385,189	284,615	360,000	26.49%
USE OF MONEY AND PROPERTY	-	-	-	-	-	0.00%
TOTAL CDBG FUND	551,715	470,499	385,189	284,615	360,000	26.49%
STATE GAS TAX FUND						
INTERGOVERNMENTAL	1,731,934	1,384,963	2,179,232	2,025,221	2,263,569	11.77%
USE OF MONEY AND PROPERTY	115,341	67,355	31,107	63,247	15,000	-76.28%
OTHER REVENUE	-	-	-	-	-	0.00%
TOTAL GAS TAX FUND	1,847,275	1,452,318	2,210,339	2,088,468	2,278,569	9.10%
PROP 1B TRANSPORTATION FUND						
INTERGOVERNMENTAL	1,252,014	-	-	-	-	0.00%
USE OF MONEY AND PROPERTY	51,274	24,109	19,846	3,239	-	-100.00%
TOTAL PROP 1B TRANSPORTATION FUND	1,303,288	24,109	19,846	3,239	-	-100.00%
TRAFFIC CONGESTION FUND						
INTERGOVERNMENTAL	718,852	781,202	842,019	197,344	-	-100.00%
USE OF MONEY AND PROPERTY	4,468	3,316	2,000	3,380	-	-100.00%
TOTAL TRAFFIC CONGESTION FUND	723,320	784,518	844,019	200,724	-	-100.00%
TIDELANDS FUND						
LICENSES, PERMITS AND FEES	1,311,650	1,271,375	1,370,000	1,484,000	1,370,000	-7.68%
INTERGOVERNMENTAL	28,084	-	-	-	-	0.00%
CHARGES FOR SERVICES	123,981	82,400	62,000	102,686	62,000	-39.62%
FINES, FORFEITURES & PENALTIES	1,704	242	500	500	500	0.00%
USE OF MONEY AND PROPERTY	7,654,324	8,630,984	9,512,862	9,272,462	9,219,462	-0.57%
OTHER REVENUE	280	(8,992)	-	21,925	-	-100.00%
TOTAL TIDELANDS FUND	9,120,023	9,976,009	10,945,362	10,881,573	10,651,962	-2.11%
CONTRIBUTIONS FUND						
INTERGOVERNMENTAL	1,165,289	1,903,669	60,000	2,324,567	841,617	-63.79%
USE OF MONEY AND PROPERTY	185,006	95,625	63,328	63,328	-	-100.00%
OTHER REVENUE	83,883	174,020	1,500,000	15,930	1,544,890	9597.99%
TOTAL CONTRIBUTIONS FUND	1,434,178	2,173,314	1,623,328	2,403,825	2,386,507	-0.72%
CIRCULATION AND TRANS FUND						
LICENSE, PERMITS AND FEES	859,820	366,087	250,000	378,000	275,000	-27.25%
USE OF MONEY AND PROPERTY	105,443	92,853	63,328	63,328	30,000	-52.63%
OTHER REVENUE	-	3,675,000	-	(25,000)	-	0.00%
TOTAL CIRCULATION FUND	965,263	4,133,940	313,328	416,328	305,000	-26.74%
BUILDING EXCISE TAX FUND						
LICENSES, PERMITS AND FEES	175,830	74,947	-	100,982	75,000	-25.73%
USE OF MONEY AND PROPERTY	9,983	6,469	4,013	4,013	2,000	-50.17%
OTHER REVENUE	-	-	-	-	-	0.00%
TOTAL BET FUND	185,813	81,416	4,013	104,995	77,000	-26.66%

REVENUE SUMMARY 2011-12

Fund/Revenue Category	2008-09 Actual Revenue	2009-10 Actual Revenue	2010-11 Original Revenue	2010-11 Revised Revenue	2011-12 Proposed Revenue	Percent Increase (Decrease)
MEASURE "M" FUND						
INTERGOVERNMENTAL	1,730,412	1,797,798	5,059,457	1,175,606	2,649,570	125.38%
USE OF MONEY AND PROPERTY	169,319	78,546	45,942	58,335	25,000	-57.14%
OTHER REVENUE	-	-	-	-	-	0.00%
TOTAL MEASURE "M" FUND	1,899,731	1,876,344	5,105,399	1,233,941	2,674,570	116.75%
AHRP FUND						
INTERGOVERNMENTAL	670,918	-	-	-	-	0.00%
USE OF MONEY AND PROPERTY	-	-	-	-	-	0.00%
TOTAL AHRP FUND	670,918	-	-	-	-	0.00%
AIR QUALITY MGMT FUND						
INTERGOVERNMENTAL	98,737	97,868	48,830	100,655	80,000	-20.52%
USE OF MONEY AND PROPERTY	17,778	10,627	3,700	3,700	3,700	0.00%
OTHER REVENUE	-	-	-	-	-	0.00%
TOTAL AQMD FUND	116,515	108,495	52,531	104,355	83,700	-19.79%
ENVIRONMENTAL LIABILITY FUND						
OTHER REVENUE	497,932	452,063	661,127	446,813	500,000	11.90%
USE OF MONEY AND PROPERTY	120,921	73,396	58,307	58,307	60,000	2.90%
TOTAL ENVIRONMENTAL LIAB FUND	618,853	525,459	719,435	505,120	560,000	10.86%
OIL SPILL REMEDIATION FUND						
TOTAL OTHER REVENUE	-	-	-	-	-	0.00%
USE OF MONEY AND PROPERTY	700	-	-	-	-	0.00%
TOTAL OIL SPILL FUND	700	-	-	-	-	0.00%
NEWPORT ANNEXATION FUND						
INTERGOVERNMENTAL	-	-	-	-	-	0.00%
USE OF MONEY AND PROPERTY	439,355	201,059	-	100,000	85,000	-15.00%
TOTAL ANNEXATION FUND	439,355	201,059	-	100,000	85,000	-15.00%
ASSESSMENT DISTRICT PROJECTS						
OTHER REVENUE	8,073,604	5,801,903	-	3,714,156	-	-100.00%
USE OF MONEY AND PROPERTY	14,469	52,887	48,883	48,883	30,000	-38.63%
TOTAL ASSESSMENT DIST. FUND	8,088,073	5,854,790	48,883	3,763,039	30,000	-99.20%
FACILITIES FINANCING PLAN FUND						
OTHER REVENUE	-	-	-	-	13,500,000	0.00%
USE OF MONEY AND PROPERTY	-	-	200,000	275,000	200,000	-27.27%
TOTAL FACILITIES FINANCING FUND	-	-	200,000	275,000	13,700,000	4881.82%
MAJOR FACILITIES REPLACEMENTS FUND						
USE OF MONEY AND PROPERTY	-	-	598,000	209,314	900,000	329.98%
OTHER FINANCING SOURCES USES	-	-	119,600,000	127,815,300	-	-100.00%
TOTAL MAJOR FACILITIES FINANCING FUND	-	-	120,198,000	128,024,614	900,000	-99.30%
CIOA FUND						
OTHER REVENUE	-	-	-	-	-	0.00%
USE OF MONEY AND PROPERTY	104,414	40,285	-	5,000	-	-100.00%
TOTAL CIOA FUND	104,414	40,285	-	5,000	-	-100.00%
BONITA CANYON DEV. FUND						
OTHER REVENUE	190,500	153,871	-	-	-	0.00%
USE OF MONEY AND PROPERTY	3,322	51	-	-	-	0.00%
TOTAL BONITA CANYON DEV. FUND	193,822	153,922	-	-	-	0.00%
MARINERS LIBRARY						
INTERGOVERNMENTAL	-	318,074	-	-	-	0.00%
OTHER REVENUE	-	-	-	-	-	0.00%
USE OF MONEY AND PROPERTY	-	592	-	-	-	0.00%
TOTAL MARINERS LIBRARY FUND	-	318,666	-	-	-	0.00%
OASIS SR CENTER						
INTERGOVERNMENTAL	6,512,473	1,569,879	1,611,570	1,685,879	-	-100.00%
OTHER REVENUE	-	-	-	-	-	0.00%
USE OF MONEY AND PROPERTY	-	-	-	-	-	0.00%
TOTAL OASIS SR CENTER	6,512,473	1,569,879	1,611,570	1,685,879	-	-100.00%
FIRE STATION #7						
INTERGOVERNMENTAL	-	-	-	-	-	0.00%
OTHER REVENUE	-	-	-	-	-	0.00%
USE OF MONEY AND PROPERTY	2,318	1,169	-	-	-	0.00%
TOTAL FIRE STATION #7 FUND	2,318	1,169	-	-	-	0.00%
BACK BAY SCIENCE CENTER						
INTERGOVERNMENTAL	450,000	300,000	-	-	-	0.00%
OTHER REVENUE	24,370	-	-	-	-	0.00%
USE OF MONEY AND PROPERTY	-	-	-	-	-	0.00%
TOTAL BACK BAY SCIENCE CENTER	474,370	300,000	-	-	-	0.00%

REVENUE SUMMARY 2011-12

Fund/Revenue Category	2008-09 Actual Revenue	2009-10 Actual Revenue	2010-11 Original Revenue	2010-11 Revised Revenue	2011-12 Proposed Revenue	Percent Increase (Decrease)
MISC SAH PROJECTS						
INTERGOVERNMENTAL	-	4,944,909	-	357,686	1,228,632	243.49%
OTHER REVENUE	-	-	-	-	-	0.00%
USE OF MONEY AND PROPERTY	-	-	18,750	18,750	-	-100.00%
TOTAL MISC SAH PROJECTS	-	4,944,909	18,750	376,436	1,228,632	226.39%
WATER ENTERPRISE FUND						
LICENSES, PERMITS AND FEES	-	-	-	-	-	0.00%
INTERGOVERNMENTAL	22,588	-	-	18,505	-	-100.00%
CHARGES FOR SERVICES	16,878,827	17,269,587	23,680,761	20,001,019	23,233,717	16.16%
USE OF MONEY AND PROPERTY	309,339	157,726	103,409	103,409	72,675	-29.72%
OTHER REVENUE	(27,343)	(21,020)	28,000	47,110	35,000	-25.71%
TOTAL WATER FUND	17,183,411	17,406,293	23,812,170	20,170,043	23,341,392	15.72%
WASTEWATER ENTERPRISE FUND						
INTERGOVERNMENTAL	-	-	-	-	-	0.00%
CHARGES FOR SERVICES	3,471,389	3,363,458	3,471,665	3,323,002	3,171,844	-4.55%
USE OF MONEY AND PROPERTY	130,018	70,790	32,217	39,105	-	-100.00%
OTHER REVENUE	8,177	(24,870)	2,000	25,416	3,000	-88.20%
TOTAL WASTEWATER FUND	3,609,584	3,409,378	3,505,882	3,387,523	3,174,844	-6.28%
INSURANCE RESERVE FUND						
WORKERS' COMP PREMIUM	3,199,422	2,769,262	2,769,262	2,769,262	2,771,358	0.08%
GENERAL LIABILITY PREMIUM	3,328,696	3,140,532	3,140,068	3,140,068	3,140,068	0.00%
DISABILITY INSURANCE PREMIUM	172	172	-	-	-	0.00%
OTHER REVENUE	1,211,345	636,931	291,859	291,859	-	-100.00%
TOTAL INSURANCE FUND	7,739,635	6,546,897	6,201,189	6,201,189	5,911,426	-4.67%
RETIREE MEDICAL FUND						
CHARGES FOR SERVICES	4,168,095	3,492,096	1,512,000	3,620,000	3,786,000	4.59%
USE OF MONEY AND PROPERTY	-	-	-	-	-	0.00%
OTHER REVENUE	1,884,823	2,608,726	2,000,000	2,425,011	2,400,000	-1.03%
TOTAL RETIREE MEDICAL FUND	6,052,918	6,100,822	3,512,000	6,045,011	6,186,000	2.33%
COMPENSATED ABSENCE FUND						
INTERGOVERNMENTAL	-	12,116	-	-	-	0.00%
CHARGES FOR SERVICES	2,266,002	2,383,307	2,420,702	2,420,702	2,263,728	-6.48%
USE OF MONEY AND PROPERTY	123,792	50,063	43,774	43,774	43,774	0.00%
TOTAL COMP. ABSENCE FUND	2,389,794	2,445,486	2,464,476	2,464,476	2,307,502	-6.37%
INFORMATION TECHNOLOGY FUND						
CHARGES FOR SERVICES	-	-	-	-	5,816,581	0.00%
OTHER REVENUE	-	-	-	-	-	0.00%
TOTAL INFO TECHNOLOGY FUND	-	-	-	-	5,816,581	0.00%
EQUIPMENT MAINTENANCE FUND						
INTERGOVERNMENTAL	-	-	-	-	-	0.00%
EQUIPMENT MAINTENANCE	2,318,160	2,295,281	2,222,291	2,222,291	2,012,706	-9.43%
EQUIPMENT REPLACEMENT	2,996,399	3,002,573	2,905,201	2,905,201	3,447,300	18.66%
OTHER REVENUE	496,979	343,210	275,000	404,052	275,000	-31.94%
TOTAL EQUIPMENT FUND	5,811,538	5,641,064	5,402,492	5,531,544	5,735,006	3.68%
PD EQUIPMENT MAINTENANCE FUND						
EQUIPMENT REPLACEMENT	-	-	-	691,945	691,945	0.00%
OTHER REVENUE	-	-	-	112,775	35,000	-68.96%
TOTAL PD EQUIPMENT FUND	-	-	-	804,720	726,945	-9.66%
ACKERMAN FUND						
USE OF MONEY AND PROPERTY	50,565	25,491	17,117	17,117	6,686	-60.94%
OTHER REVENUE	-	-	-	-	-	0.00%
TOTAL ACKERMAN TRUST FUND	50,565	25,491	17,117	17,117	6,686	-60.94%
NEWPORT BAY DREDGING FUND						
USE OF MONEY AND PROPERTY	204,147	104,074	72,942	72,942	48,104	-34.05%
OTHER REVENUES	-	-	-	-	-	0.00%
TOTAL BACK BAY DREDGING	204,147	104,074	72,942	72,942	48,104	-34.05%
DEBT SERVICE FUND						
USE OF MONEY AND PROPERTY	22,023	21,999	8,487	1,497,187	2,573,224	71.87%
OTHER FINANCING SOURCES USES	-	-	10,400,000	3,525,858	-	-100.00%
TOTAL DEBT SERVICE FUND	22,023	21,999	10,408,487	5,023,045	2,573,224	-48.77%
TOTAL ALL FUNDS	228,899,090	224,302,688	344,961,535	353,013,493	240,260,668	-31.94%
Less: Internal Premiums	(14,108,851)	(13,591,127)	(13,457,524)	(13,457,524)	(19,451,741)	N/A
TOTAL ALL CITY FUNDS, NET OF INTERNAL PREMIUMS	214,790,239	210,711,561	331,504,011	339,555,969	220,808,927	-34.97%

EXPENDITURES BY FUND

Function and Activities	2006-07 Actual Expenditures	2007-08 Actual Expenditures	2008-09 Actual Expenditures	2009-10 Actual Expenditures	2010-11 Estimated Expenditures	2011-12 Proposed Expenditures	% of Total Operating Budget
GENERAL FUND BUDGET							
General Government							
City Council	1,184,210	1,531,704	1,188,990	1,163,486	1,053,886	940,397	0.56%
City Clerk	467,725	558,111	469,507	382,360	458,678	546,465	0.24%
City Manager	1,521,190	1,426,985	1,779,540	1,502,081	1,795,964	1,921,740	0.96%
Human Resources	1,750,807	1,992,697	2,053,500	2,331,841	2,326,746	2,393,166	1.24%
City Attorney	1,480,305	1,636,695	2,097,159	2,688,217	2,621,628	2,292,941	1.39%
Administrative Services	7,301,824	7,361,911	7,978,960	7,439,653	7,729,782	5,284,343	4.11%
Total General Government	13,706,061	14,508,103	15,567,656	15,507,638	15,986,684	13,379,052	8.50%
Public Safety							
Police Department	40,023,194	42,707,208	44,919,067	43,350,642	42,958,157	41,502,813	22.85%
Fire Department	28,609,178	30,296,841	33,356,318	33,411,596	34,183,821	34,353,768	18.18%
Total Public Safety	68,632,372	73,004,049	78,275,385	76,762,238	77,141,978	75,856,581	41.03%
Community Development							
City Manager	549,669	655,139	660,941	563,378	667,205	-	0.35%
Community Development	-	-	-	-	-	8,939,933	-
Planning	2,916,490	3,119,517	3,324,759	3,125,983	3,327,072	-	1.77%
Building	4,086,318	4,388,407	4,713,078	4,397,468	4,237,603	-	2.25%
Total Community Development	7,552,477	8,163,063	8,698,778	8,086,829	8,231,880	8,939,933	4.38%
Public Works							
Municipal Operations	21,587,395	22,134,733	22,440,344	22,160,950	22,121,465	22,987,902	11.77%
Public Works	4,673,057	5,161,516	5,644,502	5,646,082	5,877,961	5,834,035	3.13%
Utilities	1,258,650	1,390,610	1,454,692	1,158,994	1,336,290	-	0.71%
Total Public Works	27,519,102	28,686,859	29,539,538	28,966,026	29,335,716	28,821,937	15.60%
Community Services							
City Council - Centennial	519,466	2,034	-	-	-	-	0.00%
Recreation & Sr. Services	5,137,147	6,222,052	6,760,245	6,555,331	7,012,633	8,418,226	3.73%
Libraries & Arts	6,092,403	6,415,158	6,521,718	6,554,183	7,135,888	6,889,590	3.80%
Total Community Services	11,749,016	12,639,244	13,281,963	13,109,514	14,148,521	15,307,816	7.52%
Fiscal Year Closing Entry	-	-	-	-	(5,000,000)	-	-2.66%
General Fund Debt Service	2,000,000	1,642,500	1,571,250	-	765,000	780,000	0.41%
Total General Fund Op. Budget	131,159,028	138,643,818	146,934,570	142,432,245	140,609,779	143,885,319	74.78%
General Fund CIPs	10,368,748	10,455,571	5,910,047	7,127,010	1,982,000	-	1.05%
Total General Fund Budget	141,527,776	149,099,389	152,844,617	149,559,255	142,591,779	143,885,319	75.84%
ENTERPRISE FUNDS							
Water - Operations	15,627,903	15,758,904	16,806,079	16,908,256	17,106,085	19,138,975	9.10%
Water - CIP	1,899,764	3,303,475	1,433,341	1,714,482	1,563,954	4,637,000	0.83%
Water - Debt Service	1,584,900	1,582,765	1,581,325	1,585,000	-	-	0.00%
Wastewater - Operations	2,402,472	2,677,294	2,792,917	2,711,550	2,593,954	3,050,262	1.38%
Wastewater - CIP	1,475,733	486,315	423,255	369,261	2,949,379	901,500	1.57%
Total Enterprise Funds	22,990,772	23,808,753	23,036,917	23,288,549	24,213,372	27,727,737	12.88%
INTERNAL SERVICE FUNDS							
Insurance Reserve	5,261,188	5,711,349	6,805,959	5,379,784	4,495,992	4,884,705	2.39%
Equipment Fund - Operations	3,837,663	3,792,464	3,266,604	3,850,214	4,114,923	4,585,565	2.19%
Equipment Fund - CIP	102,270	-	65,709	57,950	74,667	-	0.04%
Equipment Fund - Debt Service	129,513	49,820	-	-	-	-	0.00%
PD Equipment Replacement	769,526	456,803	477,300	802,540	570,923	430,000	0.30%
Compensated Absences	1,854,659	1,807,046	2,158,082	6,432,776	2,547,885	2,154,247	1.36%
Retiree Medical	3,559,779	14,772,828	8,249,701	5,720,155	5,848,000	6,259,000	3.11%
Information Technology	-	-	-	-	-	4,271,669	0.00%
Total Internal Service Funds	15,514,598	26,590,310	21,023,355	22,243,419	17,652,390	22,585,186	9.39%
OTHER FUNDS							
Police Grants	211,576	482,366	278,959	440,533	316,424	139,060	0.17%
CDBG - Operations	114,062	117,878	124,479	134,720	123,181	113,319	0.07%
CDBG - Debt Service	191,224	193,482	196,253	197,535	199,345	201,653	0.11%
Admin Svcs. - Parking Lots	-	-	-	-	409,979	421,756	-
Tidelands - Harbor Resources	1,928,465	1,838,903	1,921,292	1,806,717	1,888,623	1,401,485	1.00%
Tidelands - Oil and Gas	629,471	720,977	671,273	711,311	838,620	978,325	0.45%
Tidelands - Debt Service	237,062	237,062	237,062	237,062	237,062	771,057	0.13%
Circulations & Trans Debt Service	-	-	-	183,044	-	-	0.00%
AQMD	19,035	17,402	16,705	14,342	25,993	9,000	0.01%
Environmental Liability	184,685	70,315	123,878	108,537	110,958	139,286	0.06%
Newport Annexation - Debt Service	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	0.64%
Debt Service	566,335	564,480	565,463	569,379	4,781,291	10,626,967	2.54%
Civic Center	-	-	-	-	-	7,500	-
CIOSA Debt Service	-	-	-	-	-	-	0.00%
Ackerman Fund	4,725	1,450	19,350	4,650	5,000	5,000	0.00%
All Other CIP	30,385,690	8,775,200	22,774,375	37,494,259	42,145,957	47,507,950	22.42%
Total Other Funds	35,672,330	14,219,515	28,129,089	43,102,089	52,282,433	63,522,358	27.81%
TOTAL OPERATING BUDGET	171,473,271	190,697,406	194,427,251	191,430,350	188,024,017	204,674,150	100.00%
TOTAL CIP	44,232,205	23,020,561	30,606,727	46,762,962	48,715,957	53,046,450	
TOTAL CITY BUDGET	215,705,476	213,717,967	225,033,978	238,193,312	236,739,974	257,720,600	
LESS: INTERNAL CHARGES	(13,010,465)	(13,760,579)	(14,108,851)	(13,591,127)	(13,457,524)	(19,451,741)	
TOTAL BUDGET NET OF INTERNAL CHARGES	202,695,011	199,957,388	210,925,127	224,602,185	223,282,450	238,268,859	

2011-12 EXPENDITURES BY DEPARTMENT

	Salaries & Benefits	% of Total	Maintenance and Operation	% of Total	Capital Outlay	% of Total	Debt Service	Total Budget	% of Total
DEPARTMENT SERVICES									
City Council	217,753	0.18%	720,644	1.10%	2,000	0.06%	-	940,397	0.36%
City Clerk	447,204	0.36%	99,261	0.15%	-	0.00%	-	546,465	0.21%
City Manager	1,220,847	1.00%	695,148	1.07%	5,745	0.18%	-	1,921,740	0.73%
Human Resources	1,456,569	1.19%	930,597	1.43%	6,000	0.18%	-	2,393,166	0.91%
City Attorney	1,578,558	1.29%	708,783	1.09%	5,600	0.17%	-	2,292,941	0.87%
Administrative Services	4,517,007	3.68%	1,171,092	1.79%	18,000	0.55%	-	5,706,099	2.18%
Police	35,125,769	28.65%	6,357,302	9.74%	19,742	0.60%	-	41,502,813	15.82%
Fire	28,376,473	23.14%	5,763,028	8.83%	214,267	6.54%	-	34,353,768	13.10%
Community Development	7,085,032	5.78%	1,938,020	2.97%	30,200	0.92%	-	9,053,252	3.45%
Municipal Operations	15,191,787	12.39%	30,881,527	47.33%	82,150	2.51%	-	46,155,464	17.59%
Public Works	4,980,142	4.06%	2,232,943	3.42%	22,435	0.68%	-	7,235,520	2.76%
Library Services (incl Cultural Arts)	4,623,310	3.77%	2,264,280	3.47%	2,000	0.06%	-	6,889,590	2.63%
Recreation and Sr. Services	4,554,618	3.71%	3,837,158	5.88%	26,450	0.81%	-	8,418,226	3.21%
INTERNAL SERVICES									
Insurance Reserve	-	0.00%	4,884,705	7.49%	-	0.00%	-	4,884,705	1.86%
Equipment Maint. & Replacement	1,392,990	1.14%	709,575	1.09%	2,483,000	75.78%	-	4,585,565	1.75%
PD Equipment Replacement	-	0.00%	85,000	0.13%	345,000	10.53%	-	430,000	0.16%
Compensated Absence	2,154,247	1.76%	-	0.00%	-	0.00%	-	2,154,247	0.82%
Retiree Medical	6,259,000	5.10%	-	0.00%	-	0.00%	-	6,259,000	2.39%
Information Technology	3,032,409	2.47%	1,225,260	1.88%	14,000	0.43%	-	4,271,669	1.63%
DEBT SERVICE									
General Fund - Non Dept	300,000	0.24%	500,000	0.77%	-	0.00%	780,000	1,580,000	0.60%
CDBG Balboa Village Loan	-	0.00%	-	0.00%	-	0.00%	201,653	201,653	0.08%
Balboa Yacht Basin Construction Loan	-	0.00%	-	0.00%	-	0.00%	771,057	771,057	0.29%
Circulation and Transportation	-	0.00%	-	0.00%	-	0.00%	-	-	0.00%
Newport Annexation	-	0.00%	-	0.00%	-	0.00%	1,200,000	1,200,000	0.46%
Central Library Construction	-	0.00%	43,000	0.07%	-	0.00%	10,583,967	10,626,967	4.05%
Civic Center	-	0.00%	7,500	0.01%	-	0.00%	-	7,500	0.00%
CIOSA	-	0.00%	-	0.00%	-	0.00%	-	-	0.00%
Groundwater Improvement Bonds	-	0.00%	-	0.00%	-	0.00%	-	-	0.00%
Rolling Stock Leases	-	0.00%	-	0.00%	-	0.00%	-	-	0.00%
OTHER ACTIVITIES									
Narcotic Asset Forfeiture	-	0.00%	39,060	0.06%	-	0.00%	-	39,060	0.01%
OTS Grant	-	0.00%	-	0.00%	-	0.00%	-	-	0.00%
SLESF	100,000	0.08%	-	0.00%	-	0.00%	-	100,000	0.04%
LLEBG	-	0.00%	-	0.00%	-	0.00%	-	-	0.00%
AQMD	-	0.00%	9,000	0.01%	-	0.00%	-	9,000	0.00%
Environmental Liability Fund	-	0.00%	139,286	0.21%	-	0.00%	-	139,286	0.05%
Ackerman Donation	-	0.00%	5,000	0.01%	-	0.00%	-	5,000	0.00%
Capital Improvement Projects	-	0.00%	-	0.00%	-	0.00%	-	57,657,180	21.98%
Total Budget	122,613,715	100.00%	65,247,169	100.00%	3,276,589	100%	13,536,677	262,331,330	100.00%
Less: Internal Charges	(5,035,086)		(14,416,655)		-		-	(19,451,741)	
Total Budget Net of Internal Charges	117,578,629		50,830,514		3,276,589		13,536,677	242,879,589	
	TOTAL	% OF BUDGET TYPE	% OF TOTAL BUDGET		GENERAL FUND	% OF BUDGET TYPE	% OF TOTAL BUDGET		
OPERATING BUDGET									
Salaries and Benefits	122,613,715	59.91%	46.74%		103,175,780	71.71%	69.48%		
Maintenance and Operation	65,247,169	31.88%	24.87%		39,563,950	27.50%	26.64%		
Capital Outlay	3,276,589	1.60%	1.25%		365,589	0.25%	0.25%		
Debt Service	13,536,677	6.61%	5.16%		780,000	0.54%	0.53%		
Total Operating Budget	204,674,150	100.00%	78.02%		143,885,319	100.00%	96.90%		
CAPITAL IMPROVEMENTS	57,657,180	100.00%	21.98%		4,610,730	100.00%	3.10%		
TOTAL BUDGET	262,331,330	100.00%	100.00%		148,496,049	100.00%	100.00%		

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SUMMARIES

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SUMMARIES



SUMMARY OF ESTIMATED 2010-11 YEAR END FUND BALANCES

Fund / Account	Actual Fund Balance 2009-10	Estimated Revenue 2010-11	Transfers In	Transfers Out	Estimated Budget Expenditures 2010-11	Estimated Capital Improvements 2010-11	Estimated Year End Fund Balance 2010-11
General Fund	-	149,158,893	19,226,127	21,188,502	145,609,779	1,586,739	-
Fiscal Year Closing Entries	-	2,430,400	-	7,430,400	(5,000,000)	-	-
Nonspendable							
Reserve for Inventories	238,274	-	-	-	-	-	238,274
Reserve for Long term receivables	471,250	-	-	-	-	-	471,250
Reserve for Prepaid Items	434,137	-	660,000	434,137	-	-	660,000
Restricted							
Affordable Housing Reserve	1,557,773	-	-	-	-	-	1,557,773
Hoag Circulation Improvements	134,760	-	-	-	-	-	134,760
Committed							
Contingency Reserve	18,895,125	-	2,946,342	-	-	-	21,841,467
Reserve for Facilities Replacement Plan	27,500,000	-	3,800,000	31,300,000	-	-	-
Senior Citizen Site	23,790	-	-	23,790	-	-	-
Off Street Parking	-	-	11,000	11,000	-	-	-
Paramedic Program	479,367	-	-	-	-	-	479,367
Recreation Instruction Reserve	419,732	-	105,000	354,000	-	-	170,732
Park In Lieu Fees	760,759	-	-	-	-	80	760,679
In Lieu Parking Fees	-	-	67,000	22,468	-	-	44,532
Neighborhood Enhancement Res. A	184,855	-	32,000	-	-	23,013	193,842
Neighborhood Enhancement Res. B	50,651	-	293,000	765,000	-	365,419	(786,768)
Oceanfront Encroachment	10,488	-	180,000	-	-	6,749	183,739
Cable Franchise	1,356,143	-	100,000	100,000	-	-	1,356,143
START Video	373,730	-	-	12,500	-	-	361,230
Encumbrances	2,273,036	-	2,242,860	2,273,036	-	-	2,242,860
Capital Reappropriations (CIP rebudgets)	3,993,497	-	2,617,100	3,993,497	-	-	2,617,100
City Manager Assignments							
Reserve for PERS Rate Changes	5,000,000	-	-	-	-	-	5,000,000
Fair Value Adjustment	707,200	-	369,235	707,200	-	-	369,235
Lower Bay Dredging	-	-	2,500,000	-	-	-	2,500,000
Other City Manager Assignments	-	-	4,480,000	-	-	-	4,480,000
Unassigned	17,293,299	-	784,965	-	-	-	18,078,264
TOTAL	82,157,866	151,589,293	40,414,629	68,615,530	140,609,779	1,982,000	62,954,479
Ackerman Donation Fund	-	-	-	-	-	-	-
Appropriations Reserve	-	17,117	-	9,341	5,000	-	2,776
Appropriations Reserve - Scholarship	150,441	-	-	-	-	-	150,441
Appropriations Reserve - Hi Tech	23,821	-	-	-	-	-	23,821
Perm Scholarship Endowment Reserve	247,646	-	-	-	-	-	247,646
Perm Equipment Endowment Reserve	740,070	-	-	-	-	-	740,070
Fair Value Adj. Reserve	-	-	9,341	-	-	-	9,341
Reserve for Encumbrance	-	-	-	-	-	-	-
CDBG Fund	-	-	-	-	-	-	-
Appropriations Reserve	(3,458)	284,615	-	-	322,526	-	(41,369)
Reserve for Encumbrance	-	-	-	-	-	-	-
AQMD Fund	-	-	-	-	-	-	-
Appropriations Reserve	402,526	104,355	-	28,292	25,993	147,708	304,888
Reserve for Encumbrance	-	-	28,292	-	-	-	28,292
Asset Forfeiture Fund	-	-	-	-	-	-	-
Appropriations Reserve	539,365	338,289	-	5,203	14,460	-	857,991
Fair Value Adj. Reserve	-	-	5,203	-	-	-	5,203
Reserve for Encumbrances	-	-	-	-	-	-	-
OTS Grant Fund	(39,952)	227,507	-	-	187,923	-	(368)
Reserve for Encumbrances	-	-	-	-	-	-	-
SLESF - COPS Fund	-	100,719	-	-	100,719	-	-
Justice Assistance Grant (formerly LLEBG)	-	-	-	-	-	-	-
Appropriations Reserve	-	13,322	-	-	13,322	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
State Gas Tax Fund	-	-	-	-	-	-	-
Appropriations Reserve	3,473,159	2,088,468	112,432	957,410	-	354,417	4,362,232
Fair Value Adj. Reserve	-	-	33,313	-	-	-	33,313
Reserve for Encumbrances	112,432	-	764,097	112,432	-	-	764,097
Prop 1B Transportation Fund	-	-	-	-	-	-	-
Appropriations Reserve	375,546	3,239	6,730	-	-	385,515	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	6,730	-	-	6,730	-	-	-
Traffic Congestion Relief Fund	-	-	-	-	-	-	-
Appropriations Reserve	-	200,724	539,149	-	-	739,873	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	539,149	-	-	539,149	-	-	-

SUMMARY OF ESTIMATED 2010-11 YEAR END FUND BALANCES

Fund / Account	Actual	Estimated	Transfers		Estimated	Estimated	Estimated
	Fund Balance 2009-10	Revenue 2010-11	In	Out	Budget Expenditures 2010-11	Capital Improvements 2010-11	Year End Fund Balance 2010-11
Measure M Fund							
Turnback	3,343,428	1,233,941	260,774	888,390	-	648,124	3,301,629
Fair Value Adj. Reserve	-	-	31,687	-	-	-	31,687
Turnback Encumbrances	260,774	-	856,703	260,774	-	-	856,703
Competitive	(123,683)	-	125,103	-	-	478,440	(477,020)
Competitive Encumbrances	125,103	-	-	125,103	-	-	-
AHRP Fund							
Appropriations Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Tide and Submerged Land Fund							
Appropriation Reserve	-	10,881,573	2,068,749	8,306,168	3,374,284	1,269,870	-
Fair Value Adj. Reserve	38,947	-	42,646	38,947	-	-	42,646
Appropriations Reserve (CIP rebudget)	842,538	-	4,280,350	842,538	-	-	4,280,350
Reserve for Encumbrances	1,187,264	-	1,067,266	1,187,264	-	-	1,067,266
Upper Bay Reserve	45,414	-	90,294	-	-	-	135,708
Oil and Gas	320,000	-	40,000	-	-	-	360,000
Contributions Fund							
Misc Cooperative Projects	(1,394,750)	2,403,825	218,530	302,263	-	3,047,630	(2,122,288)
Bristol Street Relinquishment	384,809	-	2,505	2,505	-	2,605	382,204
PCH Relinquishment	3,880,538	-	16,297	-	-	16,297	3,880,538
Environmental Contributions	(137,653)	-	13,162	-	-	140,692	(265,183)
Reserve for Encumbrances	250,494	-	304,768	250,494	-	-	304,768
Circulation and Transportation Fund							
Appropriations Reserve	4,466,761	416,328	737,890	3,006,636	-	2,295,163	319,180
Fair Value Adj. Reserve	-	-	32,956	-	-	-	32,956
Reserve for Encumbrances	737,890	-	2,784,440	737,890	-	-	2,784,440
Building Excise Tax Fund							
Appropriations Reserve	283,299	104,995	4,600	2,560	-	58,137	332,197
Fair Value Adj. Reserve	-	-	2,560	-	-	-	2,560
Reserve for Encumbrances	4,600	-	-	4,600	-	-	-
Environmental Liability Fund							
Appropriation Reserve	3,487,151	505,120	21,016	174,296	110,958	-	3,728,033
Fair Value Adj. Reserve	-	-	29,346	-	-	-	29,346
Reserve for Encumbrances	21,016	-	144,950	21,016	-	-	144,950
Oil Spill Remediation Fund							
Appropriation Reserve	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Newport Annexation Funds							
Receipt Fund	8,400,000	100,000	-	1,362,000	-	-	7,138,000
Fair Value Adj. Reserve-Receipt	-	-	62,000	-	-	-	62,000
Allocation Fund	-	-	1,200,000	-	1,200,000	-	-
Fair Value Adj. Reserve-Allocation	-	-	-	-	-	-	-
Building Fund	-	-	-	-	-	-	-
Fair Value Adj. Reserve-Building	-	-	-	-	-	-	-
Reserve for Encumbrances-Building	-	-	-	-	-	-	-
Debt Service Fund							
Appropriation Reserve	-	5,023,045	4,774,267	-	4,781,291	-	5,016,021
Reserve for Debt Service	565,655	-	-	565,655	-	-	-
Assessment District Projects							
Appropriation Reserve	4,675,239	3,763,039	194,982	34,709	-	2,977,343	5,621,208
Reserve for Encumbrances	194,982	-	34,709	194,982	-	-	34,709
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Facilities Financing Plan Fund							
Appropriations Reserve	-	275,000	31,300,000	5,855,721	-	-	25,719,279
Fair Value Adj. Reserve	-	-	145,046	-	-	-	145,046
Major Facilities Replacement							
Civic Center	(32,300,212)	128,024,614	21,772,875	92,666,077	-	24,831,200	-
Reserve for Encumbrances-Civic Center	21,772,875	-	89,140,220	21,772,875	-	-	89,140,220
	(10,527,337)	128,024,614	110,913,095	114,438,952	-	24,831,200	89,140,220
Marina Park	(1,178,259)	-	117,344	141,301	-	347,156	(1,549,372)
Sunset Ridge Park	(903,158)	-	149,077	83,536	-	311,622	(1,149,239)
Police Facility	(22,200)	-	20,025	-	-	-	(2,175)
Lifeguard Headquarters	(30,179)	-	-	-	-	-	(30,179)
Reserve for Encumbrances	286,446	-	224,837	286,446	-	-	224,837

SUMMARY OF ESTIMATED 2010-11 YEAR END FUND BALANCES

Fund / Account	Actual Fund Balance 2009-10	Estimated Revenue 2010-11	Transfers In	Transfers Out	Estimated Budget Expenditures 2010-11	Estimated Capital Improvements 2010-11	Estimated Year End Fund Balance 2010-11
CIOSEA Fund							
Appropriation Reserve	450,330	5,000	189,240	-	-	645,922	(1,352)
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Bonita Canyon Development Fund	-	-	-	-	-	-	-
Appropriation Reserve	100,000	-	-	-	-	77,804	22,196
Reserve for Encumbrances	-	-	-	-	-	-	-
Mariners Library Fund							
Appropriation Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
OASIS Sr. Center							
Appropriation Reserve	(2,598,614)	1,685,879	5,027,920	801,718	-	3,313,467	-
Reserve for Encumbrances	-	-	801,718	-	-	-	801,718
Fire Station #7 Fund							
Appropriation Reserve	53,487	-	-	53,487	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Back Bay Science Center Fund							
Appropriation Reserve	(125,421)	-	-	-	-	-	(125,421)
Reserve for Encumbrances	-	-	-	-	-	-	-
MISC SAH Projects Fund							
Appropriation Reserve	(367,847)	376,436	-	-	-	56,972	(48,383)
Reserve for Encumbrances	-	-	-	-	-	-	-
Newport Bay Dredging Fund							
Permanent Endowment	3,857,000	-	-	-	-	-	3,857,000
Appropriation Reserve	905,727	72,942	-	38,313	-	-	940,356
Fair Value Adj. Reserve	-	-	38,313	-	-	-	38,313
Insurance Reserve Fund							
Workers' Compensation Reserve	14,258,107	2,915,192	1,900,000	-	2,623,400	-	16,449,899
Liability Reserve	7,616,548	3,285,998	-	3,378,742	1,872,592	-	5,651,212
Fair Value Adj. Reserve	-	-	180,337	-	-	-	180,337
Retiree Medical Fund							
Operating Fund	222,751	6,045,011	-	-	5,848,000	-	419,762
Conversion Fund	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Compensated Absence Fund							
Appropriation Reserve	1,851,687	2,464,476	1,298,405	10,067	2,547,885	-	3,056,616
Fair Value Adj. Reserve	-	-	10,067	-	-	-	10,067
Information Technology Fund							
Appropriation Reserve	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Equipment Fund							
Equipment Maintenance	-	2,222,291	-	-	1,989,686	74,667	157,938
Equipment Replacement - All Other	11,956,273	3,309,253	1,892,801	214,999	2,125,237	-	14,818,091
Equipment Replacement - PD	3,185,355	804,720	131,706	115,742	570,923	-	3,435,116
Fair Value Adj. Reserve	-	-	142,529	-	-	-	142,529
Reserve for Encumbrances	2,024,507	-	188,212	2,024,507	-	-	188,212
Water Enterprise Fund							
Stabilization & Contingency Reserve	5,560,103	20,170,043	907,406	4,539,585	17,106,085	-	4,991,882
Infrastructure Replacement Reserve	-	-	3,622,500	-	-	1,563,954	2,058,546
Fair Value Adj. Reserve	64,215	-	38,380	64,215	-	-	38,380
Reserve for Encumbrances	843,191	-	878,705	843,191	-	-	878,705
	6,467,509	20,170,043	5,446,991	5,446,991	17,106,085	1,563,954	7,967,513
Wastewater Enterprise Fund							
Stabilization & Contingency Reserve	1,056,715	3,387,523	2,733,219	796,896	2,593,954	2,949,379	837,228
Infrastructure Replacement Reserve	-	-	-	-	-	-	-
Fair Value Adj. Reserve	35,903	-	20,597	35,903	-	-	20,597
Reserve for Encumbrances	2,697,316	-	776,299	2,697,316	-	-	776,299
	3,789,934	3,387,523	3,530,115	3,530,115	2,593,954	2,949,379	1,634,124
TOTAL	151,330,466	354,443,893	225,003,514	225,003,514	188,024,017	48,715,957	279,561,722

SUMMARY OF ESTIMATED 2011-12 YEAR END FUND BALANCES

Fund / Account	Fund Balance 2010-11	Estimated Revenue 2011-12	Transfers		Estimated Budget Expenditures 2011-12	Estimated Capital Improvements 2011-12	Estimated Year End Fund Balance 2011-12
			In	Out			
General Fund	-	148,955,783	7,565,584	8,025,318	143,885,319	4,610,730	-
Fiscal Year Closing Entries	-	-	-	-	-	-	-
Nonspendable							
Reserve for Inventories	238,274	-	-	-	-	-	238,274
Reserve for Long term receivables	471,250	-	-	-	-	-	471,250
Reserve for Prepaid Items	660,000	-	-	-	-	-	660,000
Restricted							
Affordable Housing Reserve	1,557,773	-	-	-	-	-	1,557,773
Hoag Circulation Improvements	-	-	-	-	-	-	134,760
Committed							
Contingency Reserve	21,841,467	-	-	-	-	-	21,841,467
Reserve for Facilities Replacement Plan	-	-	-	-	-	-	-
Senior Citizen Site	-	-	-	-	-	-	-
Off Street Parking	-	-	11,000	-	-	-	11,000
Paramedic Program	479,367	-	-	-	-	-	479,367
Recreation Instruction Reserve	170,732	-	74,000	76,000	-	-	168,732
Park In Lieu Fees	760,679	-	-	-	-	-	760,679
In Lieu Parking Fees	44,532	-	87,000	-	-	-	131,532
Neighborhood Enhancement Res. A	193,842	-	32,000	-	-	-	225,842
Neighborhood Enhancement Res. B	(786,768)	-	293,000	780,000	-	-	(1,273,768)
Oceanfront Encroachment	183,739	-	180,000	-	-	-	363,739
Cable Franchise	1,356,143	-	100,000	100,000	-	-	1,356,143
START Video	361,230	-	-	-	-	-	361,230
Encumbrances	2,242,860	-	-	-	-	-	2,242,860
Capital Reappropriations (CIP rebudgets)	2,617,100	-	-	-	-	-	2,617,100
City Manager Assignments							
Reserve for PERS Rate Changes	5,000,000	-	-	-	-	-	5,000,000
Fair Value Adjustment	369,235	-	-	-	-	-	369,235
Lower Bay Dredging	2,500,000	-	-	-	-	-	2,500,000
Other City Manager Assignments	4,480,000	-	-	-	-	-	4,480,000
Unassigned	18,078,264	-	917,506	-	-	-	18,995,770
TOTAL	62,954,479	148,955,783	9,260,090	8,981,318	143,885,319	4,610,730	63,692,984
Ackerman Donation Fund							
Appropriations Reserve	2,776	6,686	-	-	-	-	9,462
Appropriations Reserve - Scholarship	150,441	-	-	-	5,000	-	145,441
Appropriations Reserve - Hi Tech	23,821	-	-	-	-	-	23,821
Perm Scholarship Endowment Reserve	247,646	-	-	-	-	-	247,646
Perm Equipment Endowment Reserve	740,070	-	-	-	-	-	740,070
Fair Value Adj. Reserve	9,341	-	-	-	-	-	9,341
Reserve for Encumbrance	-	-	-	-	-	-	-
CDBG Fund							
Appropriations Reserve	(41,369)	360,000	-	-	314,972	50,000	(46,341)
Reserve for Encumbrance	-	-	-	-	-	-	-
AQMD Fund							
Appropriations Reserve	304,888	83,700	28,292	-	9,000	-	407,880
Reserve for Encumbrance	28,292	-	-	28,292	-	-	-
OTS Grant Fund	(368)	-	-	-	-	-	(368)
Reserve for Encumbrances	-	-	-	-	-	-	-
Asset Forfeiture Fund							
Appropriations Reserve	857,991	20,060	-	-	39,060	-	838,991
Fair Value Adj. Reserve	5,203	-	-	-	-	-	5,203
Reserve for Encumbrances	-	-	-	-	-	-	-
SLESF - COPS Fund	-	136,175	-	-	100,000	-	36,175
Justice Assistance Grant (formerly LLEBG)	-	-	-	-	-	-	-
Appropriations Reserve	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
State Gas Tax Fund							
Appropriations Reserve	4,362,232	2,278,569	764,097	-	-	3,960,000	3,444,898
Fair Value Adj. Reserve	33,313	-	-	-	-	-	33,313
Reserve for Encumbrances	764,097	-	-	764,097	-	-	-
Prop 1B Transportation Fund							
Appropriations Reserve	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Traffic Congestion Relief Fund							
Appropriations Reserve	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-

SUMMARY OF ESTIMATED 2011-12 YEAR END FUND BALANCES

Fund / Account	Fund Balance 2010-11	Estimated Revenue 2011-12	Transfers		Estimated Budget Expenditures 2011-12	Estimated Capital Improvements 2011-12	Estimated Year End Fund Balance 2011-12
			In	Out			
Measure M Fund							
Turnback	3,301,629	1,261,177	856,703	-	-	3,403,300	2,016,209
Fair Value Adj. Reserve	31,687	-	-	-	-	-	31,687
Turnback Encumbrances	856,703	1,388,393	-	856,703	-	-	1,388,393
Competitive	(477,020)	25,000	-	-	-	3,371,400	(3,823,420)
Competitive Encumbrances	-	-	-	-	-	-	-
AHRP Fund							
Appropriations Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Tide and Submerged Land Fund							
Appropriation Reserve	-	10,651,962	5,390,262	6,589,251	3,572,623	5,880,350	-
Fair Value Adj. Reserve	42,646	-	-	42,646	-	-	-
Appropriations Reserve (CIP rebudget)	4,280,350	-	-	4,280,350	-	-	-
Reserve for Encumbrances	1,067,266	-	-	1,067,266	-	-	-
Upper Bay Reserve	135,708	-	104,667	-	-	-	240,375
Oil and Gas	360,000	-	40,000	-	-	-	400,000
Contributions Fund							
Misc Cooperative Projects	(2,122,288)	2,386,507	304,768	-	-	1,500,000	(931,013)
Bristol Street Relinquishment	382,204	-	-	-	-	72,900	309,304
PCH Relinquishment	3,880,538	-	-	-	-	-	3,880,538
Environmental Contributions	(265,183)	-	-	-	-	2,500,000	(2,765,183)
Reserve for Encumbrances	304,768	-	-	304,768	-	-	-
Circulation and Transportation Fund							
Appropriations Reserve	319,180	305,000	2,817,396	80,000	-	2,941,500	420,076
Fair Value Adj. Reserve	32,956	-	-	32,956	-	-	-
Reserve for Encumbrances	2,784,440	-	-	2,784,440	-	-	-
Building Excise Tax Fund							
Appropriations Reserve	332,197	77,000	2,560	-	-	-	411,757
Fair Value Adj. Reserve	2,560	-	-	2,560	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Environmental Liability Fund							
Appropriation Reserve	3,728,033	560,000	174,296	-	139,286	-	4,323,043
Fair Value Adj. Reserve	29,346	-	-	29,346	-	-	-
Reserve for Encumbrances	144,950	-	-	144,950	-	-	-
Oil Spill Remediation Fund							
Appropriation Reserve	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Newport Annexation Funds							
Receipt Fund	7,138,000	85,000	62,000	1,285,000	-	-	6,000,000
Fair Value Adj. Reserve-Receipt	62,000	-	-	62,000	-	-	-
Allocation Fund	-	-	1,200,000	-	1,200,000	-	-
Fair Value Adj. Reserve-Allocation	-	-	-	-	-	-	-
Building Fund	-	-	-	-	-	-	-
Fair Value Adj. Reserve-Building	-	-	-	-	-	-	-
Reserve for Encumbrances-Building	-	-	-	-	-	-	-
Debt Service Fund							
Appropriation Reserve	5,016,021	2,573,224	8,053,743	-	10,626,967	-	5,016,021
Reserve for Debt Service	-	-	-	-	-	-	-
Assessment District Projects							
Appropriation Reserve	5,621,208	30,000	34,709	-	-	-	5,685,917
Reserve for Encumbrances	34,709	-	-	34,709	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Facilities Financing Plan Fund							
Appropriations Reserve	25,719,279	13,700,000	4,161,858	8,053,743	-	-	35,527,394
Fair Value Adj. Reserve	145,046	-	-	145,046	-	-	-
Major Facilities Replacement							
Civic Center	-	900,000	2,321,800	-	7,500	3,214,300	-
Reserve for Encumbrances-Civic Center	89,140,220	-	-	2,321,800	-	-	86,818,420
	89,140,220	900,000	2,321,800	2,321,800	7,500	3,214,300	86,818,420
Marina Park	(1,549,372)	-	141,301	-	-	9,059,000	(10,467,071)
Sunset Ridge Park	(1,149,239)	-	83,536	-	-	9,561,400	(10,627,103)
Police Facility	(2,175)	-	-	-	-	-	(2,175)
Lifeguard Headquarters	(30,179)	-	-	-	-	400,000	(430,179)
Strategic Planning	-	-	-	-	-	300,000	(300,000)
Reserve for Encumbrances	224,837	-	-	224,837	-	-	-

SUMMARY OF ESTIMATED 2011-12 YEAR END FUND BALANCES

Fund / Account	Fund Balance 2010-11	Estimated Revenue 2011-12	Transfers		Estimated Budget Expenditures 2011-12	Estimated Capital Improvements 2011-12	Estimated Year End Fund Balance 2011-12
			In	Out			
CIOSA Fund							
Appropriation Reserve	(1,352)	-	-	-	-	-	(1,352)
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Bonita Canyon Development Fund							
Appropriation Reserve	22,196	-	-	-	-	68,200	(46,004)
Reserve for Encumbrances	-	-	-	-	-	-	-
Mariners Library Fund							
Appropriation Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
OASIS Sr. Center							
Appropriation Reserve	-	-	801,718	-	-	-	801,718
Reserve for Encumbrances	801,718	-	-	801,718	-	-	-
Fire Station #7 Fund							
Appropriation Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Back Bay Science Center Fund							
Appropriation Reserve	(125,421)	-	-	-	-	-	(125,421)
Reserve for Encumbrances	-	-	-	-	-	-	-
MISC SAH Projects Fund							
Permanent Endowment	(48,383)	1,228,632	-	-	-	1,175,600	4,649
Appropriation Reserve	-	-	-	-	-	-	-
Newport Bay Dredging Fund							
Permanent Endowment	3,857,000	-	-	-	-	-	3,857,000
Appropriation Reserve	940,356	48,104	38,313	-	-	-	1,026,773
Fair Value Adj. Reserve	38,313	-	-	38,313	-	-	-
Insurance Reserve Fund							
Workers' Compensation Reserve	16,449,899	2,771,358	114,448	-	2,535,325	-	16,800,380
Liability Reserve	5,651,212	3,140,068	65,889	-	2,349,380	-	6,507,789
Fair Value Adj. Reserve	180,337	-	-	180,337	-	-	-
Retiree Medical Fund							
Operating Fund	419,762	6,186,000	2,314,000	-	6,259,000	-	2,660,762
Conversion Fund	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Compensated Absence Fund							
Appropriation Reserve	3,056,616	2,307,502	-	-	2,154,247	-	3,209,872
Fair Value Adj. Reserve	10,067	-	-	-	-	-	10,067
Information Technology Fund							
Appropriation Reserve	-	5,816,581	-	-	4,271,669	-	1,544,912
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Equipment Fund							
Equipment Maintenance	157,938	2,012,706	38,405	-	2,116,065	-	92,984
Equipment Replacement - All Other	14,818,091	3,722,300	214,999	38,405	2,469,500	-	16,247,485
Equipment Replacement - PD	3,435,116	726,945	115,742	-	430,000	-	3,847,803
Fair Value Adj. Reserve	142,529	-	-	142,529	-	-	-
Reserve for Encumbrances	188,212	-	-	188,212	-	-	-
Water Enterprise Fund							
Stabilization & Contingency Reserve	4,991,882	23,341,392	917,085	3,749,288	19,138,975	-	6,362,096
Infrastructure Replacement Reserve	2,058,546	-	3,749,288	-	-	4,637,000	1,170,834
Fair Value Adj. Reserve	38,380	-	-	38,380	-	-	-
Reserve for Encumbrances	878,705	-	-	878,705	-	-	-
	7,967,513	23,341,392	4,666,373	4,666,373	19,138,975	4,637,000	7,532,930
Wastewater Enterprise Fund							
Stabilization Reserve	837,228	3,174,844	796,896	500,000	3,050,262	951,500	307,206
Future Infrastructure Reserve	-	-	500,000	-	-	-	500,000
Fair Value Adj. Reserve	20,597	-	-	20,597	-	-	-
Reserve for Encumbrances	776,299	-	-	776,299	-	-	-
	1,634,124	3,174,844	1,296,896	1,296,896	3,050,262	951,500	807,206
	279,561,722	240,260,668	45,468,861	45,468,861	204,674,150	57,657,180	367,785,249

DEPARTMENT BUDGETS



Mission Statement

To protect and enhance Newport Beach's unique quality of life for the full enjoyment of its residents, visitors and business owners and to direct the efficient and effective delivery of municipal services.

Overview

Newport Beach is a charter city with a Council-Manager form of government. Unlike a general law city that only has certain powers granted by the state, a city governed by a voter-approved charter establishes its own powers and authorities.

The seven members of the Newport Beach City Council each represent and reside in one of seven districts, but they are elected at-large by all of the city's registered voters and therefore serve a broader constituency.

While being a City Council member is considered a part-time job, the actual time commitment can be significant. In addition to City Council meetings and study sessions, Council Members hold special committee assignments, meet frequently with city staff, local residents and business owners to discuss issues and projects, and regularly attend a variety of community events.

Per the City's charter, the City Council hires three people: the City Manager, the City Clerk, and the City Attorney. The City Manager oversees the hiring and management of the rest of the staff. While it is the City Council's responsibility to enact policy, it is the City Manager's job to implement it.

Goals

In Newport Beach, the City Council reviews and approves two primary tools that are critical to implementing policy – the City's yearly budget and the various goals and priorities that the Council sets. For 2011, the Council has identified five goals with multiple associated projects:

#1: JWA SETTLEMENT EXTENSION

Work with community stakeholders and the County of Orange to secure the long-term extension of neighborhood-friendly protections at John Wayne Airport.

#2: REVITALIZATION

To involve the community in revitalizing areas of town that need attention to shine. These areas can include Lido Marina Village and the current City Hall site, West Newport Beach, Balboa Village, Mariner's Mile, Bristol Street in Santa Ana Heights, and the "MacArthur Gateway" to Corona del Mar. Revitalization includes looking at these areas through multiple lenses, like:

- Infrastructure (medians, parkways, parking strategies)
- Economic development
- Code Enforcement
- Need for city and community facilities

#3: TIDELANDS MANAGEMENT

To prepare and adopt a comprehensive management, governance, and investment strategy for the community's tide and submerged lands. This includes addressing long-term capital needs like dredging, beach replenishment, sea walls and sea level rise, revitalization of the City's oil and gas fields, and water quality protections.

#4: PENSION REFORM

To enact public pension reform that maintains the City's competitiveness but protects the City's long-term financial sustainability.

#5: RESTRUCTURING

To guide and advise the City Manager in becoming a modern, efficient city government that is responsive and effective.

Staffing:

Positions	FY 2010-11	FY 2011-12
Mayor	0.01	0.01
Councilmember	0.06	0.06
Total Staffing	0.07	0.07

Total City Council Department Costs:

	2008-09 Actual*	2009-10 Actual*	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 206,926	\$ 206,763	\$ 215,833	\$ 217,753
Maintenance and Operations	\$ 982,064	\$ 956,723	\$ 916,558	\$ 720,644
Capital Equipment	\$ -	\$ -	\$ 1,400	\$ 2,000
Total	\$ 1,188,990	\$ 1,163,486	\$ 1,133,791	\$ 940,397

*Includes Spheres Issues

Mission Statement

To provide service to the Mayor and City Council, City Manager, City Departments and the public in a courteous, timely and efficient manner while remaining neutral and impartial. To improve the administration of the affairs of the City Clerk's Office consistent with applicable laws and through sound management practices to provide easier access to local government and fulfill our responsibility to the residents of Newport Beach.

Department Overview

The City Clerk's Office provides service to the Mayor, City Council, City Manager and administrative departments, as well as the public. As the office of record, the City Clerk has responsibility for maintaining the official records of City Council actions in accordance with the legal requirements for public meetings and execution of all ordinances, resolutions and contracts. Services to the public include assistance with understanding and participating in the decision and policy making process, and assistance with research and retrieval of information and public documents.

Goals

- Prepare and publish agendas for City Council meetings and record and maintain the proceedings of the City Council meetings.
- Maintain the document imaging system in order to reduce staff time in searching, retrieving and copying records, as well as providing storage for permanent records.
- Provide staff and the residents with online access to the Newport Beach Municipal Code; Council Policy Manual; Boards, Commissions and Committees Manual; applications and vacancy notices for Boards and Commissions; and City Council agendas, minutes and staff reports.
- Maintain the Appointive List for Boards and Commissions as required under the Maddy Appointive List Act.
- Process legal publications, postings and notices.
- Ensure accurate codification of City-adopted ordinances.
- Act as Filing Officer for the Political Reform Act of 1974 regulations (Campaign Disclosure Forms and Statements of Economic Interest.)
- Receive and open bids for City projects.
- Receive and process Claims for Damages, and Summons and Complaints against the City.
- Serve as the City's Election Official and receive petitions relating to initiatives, referendums or recalls.
- Administer oaths, affirmations and acknowledgements.
- Process passport applications in accordance with U.S. Department of State procedures.

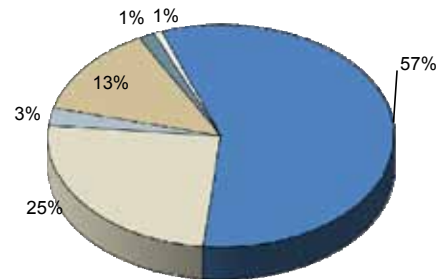
Workload Indicators	2008-2009 Actual	2009-2010 Actual	2010-2011 Estimated	2011-2012 Projected
Council Meetings, Regular	23	22	22	22
Council Meetings, Special or Adjourned	22	26	25	25
Resolutions adopted	87	115	120	100
Ordinances adopted	17	29	35	30
Claims/Summons and Complaints processed	96	135	130	130
Contracts/Agreements processed	266	375	400	400
Notices of Completion/Release Bonds	32	32	25	25
Documents process to Orange County Recorder	41	34	30	30
Passports Processed	329	362	320	300

Staffing:

Positions	FY 2010-11	FY 2011-12
City Clerk	1.0	1.0
Deputy City Clerk	2.0	1.0
Admin Assistant	-	1.0
Department Assistant + 7.5%	-	1.0
Total Staffing	3.0	4.0

Budget Overview 2011-2012 (\$553,445)

- Salaries - \$316,620 (57%)
- Benefits - \$137,565 (25%)
- Advertising/Publications/General Liability - \$14,125 (3%)
- Supplies/Maintenance - \$72,635 (13%)
- Prof/Tech Services - \$8,400 (1%)
- Travel/Meetings - \$4,100 (1%)



Total City Clerk Department Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 322,353	\$ 326,865	\$ 306,870	\$ 447,204
Maintenance and Operations	\$ 66,493	\$ 55,528	\$ 73,531	\$ 99,261
Capital Equipment	\$ -	\$ -	\$ -	\$ -
Total	\$ 388,846	\$ 382,393	\$ 380,401	\$ 546,465
Elections	\$ 80,661	\$ -	\$ 65,212	\$ -
Total	\$ 469,507	\$ 382,393	\$ 445,613	\$ 546,465

City Manager

Mission Statement

The City of Newport Beach is a premier community featuring top quality, responsive, high value municipal services, and safe neighborhoods that exist in concert with the natural environment. The City Manager's office provides organizational leadership and fiscal stewardship to support Newport Beach as an economically dynamic and physically beautiful community.

Department Overview

The City of Newport Beach operates under a Council-Manager form of government. The elected seven-member City Council appoints the City Manager to provide executive leadership and oversee the day-to-day business of the City government. The City Manager is responsible for implementing City Council policies, directing City departments and operations, and developing and managing the City's capital and operating budgets.

The City Manager's Office includes the public information and information technology divisions.

Key Department Programs

- City Management
- Public Information
- Information Technology

Goals

- Provide leadership and strategic direction to the City's 10 operating departments;
- Maintain strong fiscal accountability and transparency of public funds and resources;
- Provide direction and oversight to the development and execution of the City's annual budget and Capital Improvement Program;
- Effectively communicate with the public.

Total City Manager Department Costs:

	2008-09 Actual	2009-10 Actual	2010-11* Estimated	2011-12^ Proposed
Salaries and Benefits	\$ 3,052,018	\$ 2,785,550	\$ 2,224,615	\$ 1,220,847
Maintenance and Operations	\$ 1,291,518	\$ 1,083,819	\$ 1,211,917	\$ 695,148
Capital Equipment	\$ 18,237	\$ 2,970	\$ 21,207	\$ 5,745
IT Internal Service Fund	\$ -	\$ -	\$ -	\$ 4,271,669
Total	\$ 4,361,773	\$ 3,872,340	\$ 3,457,738	\$ 6,193,409

*Parking Lots was transferred to the Revenue Division in FY 2010-11.
^Code & Water Quality Enforcement & Harbor Resources were transferred to Community Development and Public Works Divisions in FY 2011-12.

Programs

City Management

The Executive staff, led by the City Manager, is responsible for the implementation of Council goals, oversight of day-to-day operations, and delivering a balanced budget. Key goals this year include leading a Council-directed “neighborhood revitalization” effort as well as improving the management of the city’s tide and submerged lands. The City Manager will continue to work on modernizing the structure of City Departments to be more efficient and to reduce on-going operational costs and long term financial obligations through selective program reductions, pension adjustments, and selective contracting out.

Staffing:

Positions	FY 2010-11	FY 2011-12
City Manager	1.0	1.0
Assistant City Manager	2.0	1.0
Assistant to the City Manager	-	1.0
Department Assistant + 7.5%	1.0	-
Administrative Assistant	1.0	1.0
Executive Assistant to the City Manager	1.0	1.0
Total Staffing	6.0	5.0

Total City Manager Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 969,608	\$ 849,150	\$ 954,851	\$ 947,481
Maintenance and Operations	\$ 343,044	\$ 246,596	\$ 215,382	\$ 583,352
Capital Equipment	\$ 2,100	\$ 1,881	\$ 5,574	\$ 2,000
Total	\$ 1,314,753	\$ 1,097,628	\$ 1,175,807	\$ 1,532,833

Programs

Public Information

Intended Outcome: To communicate proactively and consistently to effectively share information about City policies and programs and facilitate communication between the City of Newport Beach and its residents, businesses and visitors.

Core Functions:

- Provide outreach and public relations assistance to City departments to facilitate communication with the community and identify potential issues.
- Provide information, both proactively and in response to inquiries, to members of the news media.
- Encourage citizen engagement by using interactive communication tools and techniques to share information and gather feedback.

Work Plan:

- Update and implement the division's strategic communication plan to maximize existing resources and develop new tools and methods to continuously improve the City's communication with residents, businesses and visitors.
- Produce key messages to effectively communicate the information related to the Council's goals and associated City programs or projects.
- Create and implement a community outreach program to provide timely information about significant projects to residents and businesses.
- Develop web content, print materials, social media messages and video programming that is focused on City projects, programs and local events and activities of interest to the Newport Beach community.

Staffing:

Positions	FY 2010-11	FY 2011-12
Public Information Manager	1.0	1.0
Public Information Coordinator	1.0	1.0
Production Assistant	2.31	-
Total Staffing	4.31	2.0

Total City Manager PIO Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 381,270	\$ 346,533	\$ 293,353	\$ 273,366
Maintenance and Operations	\$ 83,517	\$ 57,921	\$ 34,491	\$ 111,796
Capital Equipment	\$ -	\$ -	\$ 3,745	\$ 3,745
Total	\$ 464,787	\$ 404,453	\$ 331,589	\$ 388,907

Information Technology

Intended Outcome: To provide excellent hardware and software support that ensures all City information systems are operational and optimized for use by City staff and residents.

Core Functions:

- Computer System/Network Administration
- Email, Phone, and Voicemail Support
- System Security
- Centralized Database Application Development and Support
- Development and Administration of the City's Internet and Intranet Sites
- GIS data analysis and mapping

Work Plan:

- Consolidate all IT personnel and budgets into a single department reporting to the Assistant City Manager.
- Hire a Business Improvement and Technology Manager to oversee the consolidated department.
- Complete IT Strategic Plan to lay out the next 5 years of IT procurement and support.
- Work to help the City move toward a streamlined organization that uses modern technology.

Staffing:

Positions	FY 2010-11	FY 2011-12
IT Manager	-	0.0
Business Improvement & Technology Manager	-	1.0
GIS Technician	-	1.0
GIS Analyst	-	2.0
IT Specialist III	-	2.0
Senior IT Specialist	-	1.0
IT Operations Supervisor	-	1.0
IT Applications Analyst	-	3.0
Senior IT Applications Analyst	-	1.0
IT Applications Supervisor	-	1.0
Telecommunications Specialist	-	1.0
GIS Technical Aide	-	0.5
Personal Computer/Network Coordinator	-	1.0
Applications Coordinator P.D.	-	2.0
Electronics Specialist	-	1.0
Police Computer Systems Manager	-	1.0
Police MIS Specialist	-	1.0
Fire Information Systems Administrator	-	1.0
Library Information Systems Administrator	-	1.0
Total Staffing	0.0	22.5

Total Department Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12* Proposed
Salaries and Benefits	\$ -	\$ -	\$ -	\$ 3,032,409
Maintenance and Operations	\$ -	\$ -	\$ -	\$ 1,225,260
Capital Equipment	\$ -	\$ -	\$ -	\$ 14,000
Total	\$ -	\$ -	\$ -	\$ 4,271,669

* IT ISF Operations replaced Information Technology in FY 2011-12.

Human Resources/Risk Management

Mission Statement

The Human Resources/Risk Management Department delivers professional customer service by assisting and supporting City departments, employees and the public. Our goal is to help keep focus in the City as we move toward a vision of excellence, fiscal sustainability and stability for our workforce.



Key Department Programs

- Risk Management/ Benefits
- Recruitment/Administration

Department Overview

At City Council direction, City Manager Dave Kiff and Human Resources Director Terri Cassidy successfully completed the City's collective bargaining process with the Newport Beach bargaining units: City Employees' Association, Firefighters' Association, Fire Management Association, Employees' League, Lifeguard Management Association, Police Association, Police Management Association, and Professional/Technical Association. In addition, benefits and work rules were completed with the unrepresented Key & Management Executive Group and Part-Time Employees. This was a significant and important step toward meeting the City's budget goals while maintaining good communication and labor relations.

Human Resources works very closely with the City Manager's Office in moving toward a more streamlined, efficient organization. As the City addressed its financial challenges and complex changes these last two fiscal years (FY 2009-10 and FY 2010-11), Human Resources played a key role by working with departments on succession planning, restructuring, strategic thinking and reorganizing. In order to remain a great place to work, the City of Newport Beach must help shape and motivate the workforce to meet and anticipate the needs of the community.

This year, Human Resources worked with City departments to hire/promote, compensate and develop an organization dedicated to delivering high quality services, while being mindful of the City's budgetary constraints. We continue to offer good training opportunities and provide expertise in employment-related laws and best practices in order to minimize the City's liability. This includes being informed in such areas as workers' compensation, liability prevention, risk management and assessing our benefits program for viability and cost effectiveness.



Goals

- Minimize the City's liability in employment matters;
- Provide in-depth, accurate information and options to all City departments, including City Council and Civil Service Board;
- Obtain and provide cost effective, quality employment services;
- Provide resources for growth of the organizational culture that supports the City's values;
- Create and enhance policies, programs and systems that support sound management practices;
- Offer viable and cost effective resources and benefits to City employees;
- Provide administrative support to departments to assist with employee retention;
- Counsel and advise departments/employees regarding Memoranda of Understanding, contract administration, labor relation matters; and
- Training/organizational development support

Workload Indicators	2008-2009 Actual	2009-2010 Actual	2010-2011 Estimated	2011-2012 Projected
<i>Recruiting & Administration</i>				
Full-time Recruitments	65	78	57	60
Part-time Recruitments	91	108	88	80
Tuition Reimbursement	281	192	164	164
Unemployment Claims	30	45	40	45
Classification & Compensation Studies	24	33	40	35
<i>Benefits & Risk Management Division</i>				
Benefit Transactions	1,889	2,115	2,341	2,425
Retirements	22	55	34	35
General Liability Claims	110	145	100	110
Industrial Disability Retirements	2	3	4	4
Workers' Comp & Disability Claims	142	162	150	154

Total Human Resources Department Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 1,364,325	\$ 1,423,142	\$ 1,373,969	\$ 1,456,569
Maintenance and Operations	\$ 676,716	\$ 902,839	\$ 754,557	\$ 930,597
Capital Equipment	\$ 12,459	\$ 5,860	\$ 3,636	\$ 6,000
Total	\$ 2,053,500	\$ 2,331,841	\$ 2,132,163	\$ 2,393,166

Programs

Administration/Recruitment

Core Functions:

- Coordinate, organize and provide City-wide training to help employees continue to learn and keep current with practices and knowledge.
- Support and maintain the City's Civil Service Board and System.
- Research and analyze classification and compensation studies.
- Facilitate collective bargaining for all 10 of the City's units.
- Provide counseling to City departments and staff members
 - Discipline Administration
 - Employee Job Counseling
 - Employee Relations
 - Grievance
 - Pension
- Organize and administer City-wide events and programs
 - Employee Recognition
 - Scholarship Program
 - MOU Contracts
 - Personnel Transactions
 - Restructuring Assistance
 - Tuition Reimbursement
 - Unemployment
- Initiate, coordinate, facilitate and process recruitments and selection of City employees
 - Knowledge and Assistance with NeoGov Recruiting System
 - Pre-employment Physical Exams
 - Background and Screening
 - Job Offers

Staffing:

Positions	FY 2010-11	FY 2011-12
Human Resources Director	0.5	0.5
Human Resources Supervisor	1.0	1.0
HR/RM Department Administrator	0.25	0.25
Human Resources Specialist II	-	1.0
Human Resources Analyst	1.0	1.0
Administrative Assistant to the HR Director	1.0	1.0
Office Assistant	1.0	1.0
Human Resources Analyst Part-time	1.5	0.75
Total Staffing	6.25	6.5

Total Administration/Recruitment Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 861,215	\$ 824,357	\$ 749,996	\$ 775,795
Maintenance and Operations	\$ 460,181	\$ 565,193	\$ 424,829	\$ 611,056
Capital Equipment	\$ 12,459	\$ 5,860	\$ 3,636	\$ 6,000
Total	\$ 1,333,855	\$ 1,395,410	\$ 1,178,461	\$ 1,392,851

Risk Management/Benefits

Core Functions:

- Administer and train employees on the City's benefit programs.

Health/Dental/Vision Benefits	Deferred Compensation Program
Disability Benefits	Employee Assistance Program
Retirement Benefits	Workers' Compensation Claims
- Assure compliance with local, state and federal rules & regulations.

DMV Employer Pull Program	DOT Drug Program
Personnel Policies and Procedures	Safety Program
Consolidated Omnibus Budget Reconciliation Act (COBRA)	
Family Medical Leave Act (FMLA) Compliance	
Health Insurance Portability and Accountability Act (HIPAA) Compliance	
- Provide counseling and resources for City departments and staff.

Employee Health Fair	Employee Relations
Grievances & Discipline	New Hire Orientation
Retirement	Retiree Medical Insurance
Public Agency Retirement Services (PARS) Coordination	
- Oversee and maintain administrative procedures.

General Liability	Loss Control
Personnel Transactions	Records Management
Special Events Review	Verifications of Employment
Property, Casualty and Excess Insurance Procurement	

Staffing:

Positions	FY 2010-11	FY 2011-12
Human Resources Director	0.5	0.5
Human Resources Supervisor	1.0	1.0
HR/RM Department Administrator	0.75	0.75
Human Resources Specialist I	1.0	1.0
Human Resources Specialist II	1.0	1.0
Department Assistant	1.0	1.0
Total Staffing	5.25	5.25

Total Risk Management/Benefits Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 503,110	\$ 598,785	\$ 623,974	\$ 680,774
Maintenance and Operations	\$ 216,535	\$ 337,646	\$ 329,728	\$ 319,541
Capital Equipment	\$ -	\$ -	\$ -	\$ -
Total	\$ 719,645	\$ 936,431	\$ 953,702	\$ 1,000,315

Office of the City Attorney

Mission Statement

To provide excellent, prompt, practical, solution oriented legal advice to the Council, staff, and Boards and Commissions of the City of Newport Beach; to effectively represent the City's interests before all courts and administrative bodies; and to act as the City's chief prosecutor in all code enforcement matters. We seek to integrate the legal function with administrative and policy functions of the City at the most basic levels in order to assist in achieving the Council's policy objectives and protect the City from liability.

Department Overview

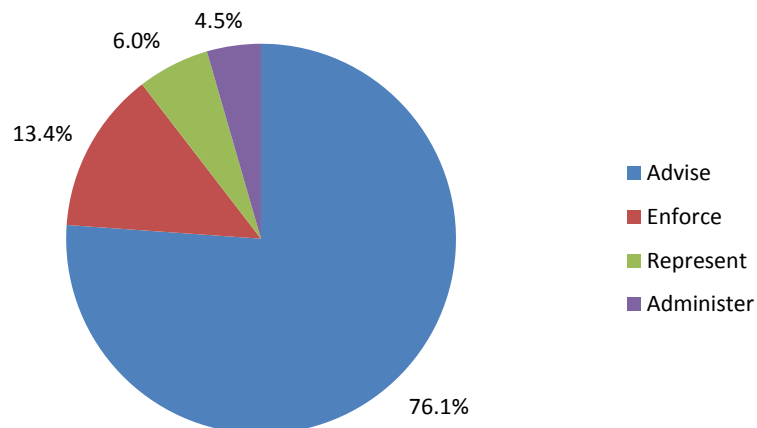
1. Advise on legal issues;
2. Enforce the City Charter, ordinances and policies as the Chief Prosecutor under the direction of the City Manager as Chief Code Enforcement Officer;
3. Represent the City in legal proceedings; and
4. Administer the legal business of the City either through providing the necessary legal services with in-house resources or overseeing the services provided by outside counsel and managing their relationship with the City.

Key Department Programs

The functions above are generally divided into two divisions of work, advisory and litigation, with enforcement being considered part of litigation.

As represented by the pie chart below, currently the vast majority of OCA resources are allocated to providing day-to-day advice on City matters.

With the current goal of bringing appropriate litigation in-house, this allocation of resources will change, giving substantially more resources to the representation portion of the services.



Goals

1. Advise: Provide current, practical, solution-oriented legal services to the Council, staff, and boards and commissions of the City by integrating the legal function into the policy and administrative functions at the most basic levels of City government.
 - In 2011/12: Make the provision of advisory services within the City more efficient by reducing the office's involvement in day-to-day issues that do not require legal advice through the development of Citywide procedures and thresholds for OCA involvement, and training on such procedures and thresholds, thus freeing OCA resources for handling core legal functions.
2. Enforce: Successfully support the code enforcement efforts within the City achieving a minimum of a ninety percent (90%) success rate for any case brought to trial.
3. Represent: Provide and oversee all civil litigation services provided to the City, reporting at least quarterly to the City Council, supporting the Council in defining the City's goal in litigation, and then achieving a ninety percent (90%) success rate on civil litigation matters.
 - In 2011/12: Bring in-house specialty litigation matters that are within the competence of the office so as to reduce the cost to the City of outside counsel litigation expense.

Staffing:

Positions	FY 2010-11	FY 2011-12
City Attorney	1.0	1.0
Assistant City Attorney	2.0	2.0
Deputy City Attorney	2.0	2.0
Paralegal	2.0	1.0
Office Assistant	1.0	-
Department Assistant	1.0	2.0
Administrative Assistant to the City Attorney	1.0	1.0
Deputy City Attorney Part-time	0.7	0.7
Budget Intern	-	0.1
Total Staffing	10.7	9.8

Total City Attorney Department Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 1,032,398	\$ 1,400,520	\$ 1,487,991	\$ 1,578,558
Maintenance and Operations	\$ 1,062,001	\$ 1,281,610	\$ 1,196,555	\$ 256,283
Capital Equipment	\$ 2,760	\$ 6,087	\$ 5,151	\$ 5,600
Outside Litigation	\$ -	\$ -	\$ -	\$ 452,500
Total	\$ 2,097,159	\$ 2,688,217	\$ 2,689,696	\$ 2,292,941

Workload Indicators

There are three areas of workload indicators that are relevant to demonstrate workload. These numbers are reported on a fiscal 2010-11 to date basis.

1. Advisory:

	Reviewed and Advised	New Ordinances Drafted
a) Ordinance Matters	12	10
b) Records Matters		

Type	Number Received	Average Response Time in business days
Advise staff on or responding to PRAR	188	9.12
Accept Service and Advise staff on Subpoenas	57	3.75
Pitchess Motions	5	31.8 ¹
Advisement matters: all other record issues	39	9.48
Total Records Issues Advised on or directly Responded to:	289	

¹ Response times for Pitchess Motions are dependent on the dates set by the court to appear, not the OCA's responsiveness to the motion.

c) Claims	81
d) Contract Matters ²	

The table below reflects new contract matters received for advisement and review and approval as to form by the OCA between July 1, 2010 and March 30, 2011 and the corresponding average turnaround time for initial comments from the OCA and/or returned to department as approved as to form³.

Type	Number Received	Average Turnaround Time in business days
Contracts-Form/ Standard	393	11.48 ³
Contracts-Major/ Non-Standard	52	28.11 ⁴
Total New Contract Matters	445 ⁵	

² "Contract Matters" includes the actual processing of contracts themselves as well as RFPs and RFQs, and other such matters.

³ Frequently, the processing of contracts requires multiple interactions between the OCA and the department. The documents can go back and forth more than once in order to achieve completion. The average time reflected in the table includes all time from start to finish, including time the contract was in the department's possession addressing issues.

⁴ This number includes completed contracts and those in pending status based upon need for further input from the department.

⁵ This equals an average of 11.8 contracts per week.

2. Enforcement: 39 new Code Enforcement matters, advisement and covenant agreement preparation.

3. Litigation: We track litigation on a calendar year basis. As of January 1 of each respective year there were 57 cases pending in 2009, 65 pending in 2010 and 36 as of January 1, 2011. Since January 1, 7 new cases were filed and 11 resolved, leaving 32 pending.



Programs

Intended Outcome: Provide advisory legal services to the City and integrate the legal function into the day-to-day operations of the City.

Core Functions:

- Provide legal support and advice on daily basis;
- Provide and oversee legal support in effort to extend JWA Settlement Agreement;
- Oversee and direct defense of the City in the group homes litigation and enforce the ordinance;
- Provide legal support and advice regarding development of a comprehensive management, governance and investment strategy for all tidelands and a comprehensive, prioritized multi-year approach to City investment in areas of town that need attention to shine;
- Advise and assist efforts to update the City's personnel system, including enacting public pension reform that maintains the City's competitiveness but protects the City's long-term sustainability.

Intended Outcome: Complete revitalization of Office of the City Attorney

Work Plan:

- **Improve and Systemize:** Improve service to Council and staff on advisory matters by consolidating the gains of the last two years, and systemize in an efficient manner the provision of legal services, particularly in the area of contract processing.
- **Systemize OCA and Train:** Complete internal SOP standardizing practices to take advantage of the efficiencies available to the OCA, and continue training its attorneys and staff on the operations and culture of the City and the OCA.
- **Reduce OCA involvement in Day-to-Day Tasks:** There are a number of day-to-day quasi-administrative tasks that do not require the continuous involvement of the OCA. These tasks include (1) efficient processing of contracts to achieve the OCA's Charter responsibilities; (2) responding to records requests under the Public Records Act, subpoenas and other means; and (3) claims processing, while still performing its necessary legal role in the risk management function of the City.

Finance

Mission Statement

To provide prudent financial management of publicly entrusted resources and to support the organization with the highest quality financial, administrative, investment and analytical services.

Department Overview

The Department's primary purpose is to act as the financial steward for the public and to provide a wide variety of support functions generally encompassed by finance, administration, automation and communication. We provide financial information to the entire organization, and members of the public access to city government services and information. These services and financial information are critical to the City's financial stability and the City's ability to consistently deliver the highest quality of municipal services our residents have grown to expect and deserve. We are committed to supporting the Council's Fiscal Sustainability Plan by maintaining appropriate cash reserves, maintaining the highest possible credit rating for Newport Beach, accurately reporting revenue performance on a quarterly basis and appropriately calculating cost recovery targets.

Key Department Programs

- Finance and Treasury
- Office of Management and Budget
- Revenue
- Accounting

Goals

- Manage investments and provide internal controls to manage, monitor and ensure appropriate use of the City's assets.
- Provide relevant and reliable information about the City's financial condition to Council, departments and the public to improve accountability and assist in making informed financial decisions.
- Provide leadership in assisting the City Council, management and departments as we transition to a performance-based program budget.



Performance Measures

The following indicators are provided as a means to quantify some of the work accomplished by the Finance Department throughout the year. These measures reflect some of the many responsibilities and actions of staff and are useful as a set of statistics that can be monitored year-by-year, as well as compared to other cities.

Workload Indicators	2008-2009 Actual	2009-2010 Actual	2010-2011 Estimated	2011-2012 Projected
Financial Reporting Excellence Award	Yes	Yes	Yes	Yes
Credit Rating	NA	NA	AAA ¹	AAA
Total Budget Administered ²	\$258,128,916	\$255,977,982	\$240,844,985	\$255,552,477
General Fund Budget	\$152,844,614	\$148,559,255	\$148,997,162	\$148,434,006
Total Value of Payables Processed	\$139,323,604	\$132,000,000	\$127,500,000	\$130,000,000
Purchase Orders Issued	830	1,200 ³	1,300	1,400
Municipal Statements	196,117	177,000	180,000	180,000
New Business Licenses	1,810	2,645	2,500	2,600
Business License Renewals	20,184	17,870	17,000	17,800
Parking Citations Processed	66,248	62,775	62,000	65,000
Administrative Citations Processed	2,338	2,600	2,500	3,800
Adjudications	3,821	5,208	5,000	5,700
Solid Waste Hauler Audit Recovery	\$ -	\$ 49,111	\$ 1,400	\$1,400
Transient Occupancy Tax Audit Recovery	\$ 85,186	\$ 175,042	\$ 4,534	\$30,000

¹ Moody's Investor Service, Standard & Poor's and Fitch Ratings have all assigned the City of Newport Beach an AAA credit rating, the highest possible underlying rating, one of only five agencies in California to receive an AAA rating from all three rating agencies.

² Budget Administered represents the gross budget administered (including internal service charges)

³ Began including Blanket Agreement and Maintenance Agreements in the total Purchase Orders Issued in FY 2009-10

Total Finance Department Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 6,475,653	\$ 6,178,912	\$ 6,090,159	\$ 4,517,007
Maintenance and Operations	\$ 1,125,096	\$ 913,694	\$ 1,317,332	\$ 1,171,092
Capital Equipment	\$ 288,815	\$ 263,626	\$ 239,294	\$ 18,000
Total	\$ 7,889,564	\$ 7,356,232	\$ 7,646,785	\$ 5,706,099

Programs

Finance and Treasury

Intended Outcome: To prudently manage investments and safeguard City assets to ensure fiscal sustainability.

Core Functions:

- Provide administration and oversight for the Accounting, Revenue and Office of Budget and Management programs. Also, ensure they have the resources necessary to achieve success in the performance of their duties.
- Continually work to achieve outstanding customer service to both internal and external customers.
- Continue to identify and develop new policies and procedures to support the Council and City Manager's goals.
- Prudent financial planning and treasury management.

Work Plan:

Council Goal - Effective Management: Make strategic decisions that support efficient use of resources, intended outcomes of city programs, and continuous improvement of the services delivered.

- Decrease number of custodial banks and investment advisors to achieve cost savings and streamline the active management of City investments.
- Implement an Ethics and Fraud Policy city-wide.
- Implement an Escheating Policy to advertise unclaimed monies timely and escheat, if applicable, to the General Fund.

Staffing:

Positions	FY 2010-11	FY 2011-12
Finance Director/Treasurer	1.0	1.0
Deputy Finance Director	1.0	1.0
Administrative Support Services Coordinator	1.0	1.0
Graphics & Printing Specialist	1.0	1.0
Printing Services Supervisor	1.0	1.0
Senior Mail Processing Clerk	1.0	1.0
Mail Processing Clerk	1.0	-
Total Staffing	7.0	6.0

Total Finance & Treasury Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11* Estimated	2011-12 Proposed
Salaries and Benefits	\$ 514,021	\$ 419,634	\$ 781,458	\$ 808,639
Maintenance and Operations	\$ 57,316	\$ 41,358	\$ 8,701	\$ 100,843
Capital Equipment	\$ 4,928	\$ 161	\$ 161	\$ 6,000
Total	\$ 576,266	\$ 461,153	\$ 790,319	\$ 915,482

*The Print Shop and Mail Room functions were transferred into the Finance & Treasury Division in FY 2010-11.

Office of Management and Budget

Intended Outcome: To ensure effective and efficient allocation of City resources, and to assist departments in adhering to the City's purchasing and procurement policies.

Core Functions:

- Development and administration of the City's operating budget including monthly monitoring to ensure accuracy of revenues and expenditure compliance.
- Coordinate and process the City's biweekly payroll function.
- Provide accounts payable and purchasing services to all departments and administer the Citywide purchasing card program.
- Manage the City's warehouse including inventory control measures and disposal of surplus property.
- Prepare all analysis as directed by management timely and accurately.

Work Plan:

Council Goal - Fiscal Sustainability: Protect and enhance the City's economic and fiscal health so that the community continues to thrive.

- Continue to enhance our budget document which reflects a performance budget.
- Train departments in preparing and using performance budgets and assist in measuring identified performance areas.
- Report back to Council mid-year to provide a financial update to the budget as compared to actuals and to report on performance measures.
- Continue to prepare and utilize a five-year budget forecast model to remain aware of economic conditions which impact our community.

Staffing:

Positions	FY 2010-11	FY 2011-12
Budget Manager	1.0	1.0
Senior Fiscal Clerk	1.0	1.0
Fiscal Specialist	2.0	2.0
Buyer	1.0	1.0
Senior Buyer	1.0	-
Purchasing Agent	-	1.0
Inventory Analyst	1.0	1.0
Budget Analyst	1.0	1.0
Senior Budget Analyst	1.0	1.0
Fiscal Clerk Part-time	0.7	0.5
Student Aide	0.5	0.5
Budget Intern	-	0.4
Total Staffing	10.2	10.4

Programs

Total Office of Management and Budget Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11*^ Estimated	2011-12~ Proposed
Salaries and Benefits	\$ 1,602,448	\$ 1,597,903	\$ 1,041,655	\$ 1,036,469
Maintenance and Operations	\$ 154,689	\$ 146,782	\$ 90,086	\$ 165,686
Capital Equipment	\$ 56,371	\$ 20,203	\$ 2,275	\$ 4,000
Total	\$ 1,813,508	\$ 1,764,888	\$ 1,134,016	\$ 1,206,155

*The Print Shop and Mail Room functions were transferred to the Finance and Treasury Division in FY 2010-11.
 ^The Budget and Payroll functions were transferred into OMB in FY 2010-11.
 ~The Parking Meter function was eliminated in FY 2011-12.

Revenue

Intended Outcome: Safeguard and maximize City revenue assets; manage collections timely and equitably; provide excellent customer service.

Core Functions:

- Implement and enforce Municipal Code revenue programs.
- Work with City Council to develop new revenue programs, or enhance and streamline current revenue programs, for the benefit of the public and the Newport Beach business community.
- Monitor legislative changes impacting municipal services and review the accuracy of subventions collected from state and local government agencies.
- Review compliance of City's revenue programs, including, but not limited to, the Transient Occupancy Tax, Sales and Use Tax ordinances and lease agreements.
- Perform compliance reviews of City and contractor/tenant requirements related to City professional service contracts and lease agreements.
- Provide accounts receivable services to all City departments.
- Administer City's business tax program pursuant to the Municipal Code including enforcement activities.
- Analyze potential and new State and Federal legislation for impact on City's business tax programs, as well as for opportunities to enhance and streamline the tax programs.
- Collect revenues through online services (credit card), cashing (cash), other departments (checks and credit cards), and perform reconciliations.
- Maintain accurate records and book keeping for all payments received, ensuring security controls to prevent theft, fraud or mishandling of public funds.
- Obtain appraisals and issue Request for Proposals to obtain maximum revenues for City properties pursuant to its City Council recommended use.
- Monitor external contracts for parking meter services, sales tax reviews and other to ensure City revenues are maximized and consultants are adhering to contract terms.

Work Plan:

Council Goal - Tidelands Management: A comprehensive management, governance, and investment strategy for all tidelands.

Council Goal - Restructuring: Guide/advise City Manager in moving city government forward, becoming a Great organization.

- Complete the second phase of the cost-of-services study.
- Assist Harbor Resources and City Attorney's Office on the conversion from commercial pier permits to agreements.
- Collaborate with IT staff to upgrade and enhance databases to allow for mass production of non-compliant notices and administrative citations, and seek an electronic, paperless process, related to the appeal process of business tax administrative citations.
- Improve customer service by creating a one-stop shop - cross-train staff in all departments.
- Improve online bill pay functionality and ensure a more user-friendly system.
- Work with IT towards paperless recordkeeping.
- Provide timely and just adjudication decisions.
- Work with consultant on implementation of credit card meter program and customer service.

Staffing:

Positions	FY 2010-11	FY 2011-12
Revenue Manager	1.0	1.0
Fiscal Clerk	4.0	4.0
Senior Fiscal Clerk	4.0	4.0
Fiscal Specialist	2.0	2.0
Fiscal Process Supervisor	1.0	1.0
License Inspector	1.0	1.0
License Supervisor	1.0	1.0
Mail Processing Clerk	-	1.0
Revenue Auditor	1.0	1.0
Fiscal Clerk Part-time	0.70	0.90
Fiscal Specialist Part-time	0.45	0.45
Student Aide	0.39	0.39
Review Officer	0.76	0.76
Parking Meter Supervisor	1.0	-
Parking Meter Serviceworker	2.0	-
Parking Meter Serviceworker Part-time	0.72	-
Parking Lot Supervisor	1.0	1.0
Parking Lot Attendant	5.3	5.9
Lead Parking Lot Attendant	1.8	1.2
Total Staffing	29.12	26.60

Programs

Total Revenue Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11* Estimated	2011-12 Proposed
Salaries and Benefits	\$ 1,607,463	\$ 1,613,101	\$ 2,027,689	\$ 2,095,027
Maintenance and Operations	\$ 281,599	\$ 254,754	\$ 510,000	\$ 730,143
Capital Equipment	\$ 8,341	\$ 2,116	\$ 5,854	\$ 7,000
Total	\$ 1,897,403	\$ 1,869,971	\$ 2,543,542	\$ 2,832,170

*Parking Lots was transferred to the Revenue Division from the City Manager Division in FY 2010-11.

Accounting

Intended Outcome: Ensure compliance with GASB, Council, State, and Federal regulations and provide accurate, reliable and timely financial reports.

Core Functions:

- Prepare, reconcile and present the Comprehensive Annual Financial Report (CAFR) to the external auditors.
- Apply for the Government Finance Officers Association "Certificate of Excellence in Financial Reporting."
- Coordinate all accounting, financial reporting and audit management.
- Monitor and implement new accounting pronouncements to ensure the City adheres to generally accepted accounting practices.
- Manage general ledger maintenance, debt administration and assessment district administration.
- Accounting and reporting for capital assets.
- Continue to update and maintain the Facilities Financing Plan.
- Oversee the compilation of the Quarterly Financial Report provided to Council as part of the City Manager's Quarterly Business Report

Work Plan:

Council Goal - Fiscal Sustainability: Protect and enhance the City's economic and fiscal health so that the community continues to thrive.

Council Goal - Effective Management: Make strategic decisions that support efficient use of resources, intended outcomes of City programs, and continuous improvement of the services delivered.

- Implement GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions.
- Lead the financing team to issue Certificates of Participation for funding the new Civic Center Complex.
- Monitor performance and produce quarterly financial status reports for the City Manager and Council to keep them abreast of the City's financial condition and any challenges or solutions identified to keep our General Fund balanced.

- Automate the allocation of interest income on a monthly basis.
- Improve on analytical review of all revenues/ expenditures by better utilizing the newly acquired Muncast financial database.

Staffing:

Positions	FY 2010-11	FY 2011-12
Accounting Manager	1.0	1.0
Fiscal Specialist	1.0	1.0
Accountant	2.0	3.0
Senior Accountant	1.0	-
Fiscal Clerk Part-time	0.25	0.25
Total Staffing	5.25	5.25

Total Accounting Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11* Estimated	2011-12 Proposed
Salaries and Benefits	\$ 1,027,189	\$ 1,044,809	\$ 591,647	\$ 576,872
Maintenance and Operations	\$ 105,764	\$ 84,479	\$ 74,570	\$ 174,420
Capital Equipment	\$ 3,537	\$ 855	\$ 773	\$ 1,000
Total	\$ 1,136,491	\$ 1,130,143	\$ 666,990	\$ 752,292

*The Budget and Payroll functions were transferred to OMB in FY 2010-11.

Police Department

Mission Statement

The Newport Beach Police Department is committed to providing our Community with the highest quality police services possible to maintain the quality of life that is cherished by those who reside, work, and visit here. Our mission is to:

“Respond positively to the Community’s needs, desires, and values and in so doing be recognized as an extension and reflection of those we serve. Strive to provide a safe and healthy environment for all, free from violence and property loss resulting from criminal acts, and injuries caused by traffic violators. Manage inevitable change and welcome the challenge of future problems with creative solutions which are financially prudent and consistent with Community values.”

Department Overview

With over one hundred years of service to the citizens of Newport Beach, the Police Department stands as an example of municipal efficiency with a workforce committed to the Community and its visitors. This year marks the lowest crime rate in over 40 years. This milestone could not have been accomplished without the collaborative efforts of our employees, our fellow City Government partners and our Community collaborators.

Members of the Police Department’s Patrol/Traffic Division are the Community’s front line defense against criminal activity as well as offering ancillary services such as parking enforcement, animal control, detention services and helicopter support.

The Detective Division is the investigative arm of the Police Department and is responsible for providing investigative follow up for more than 11,000 reports the Police Department takes each year. The Division is also responsible for narcotics and vice enforcement, criminal intelligence and crime scene investigation.

Offering administrative, fleet and clerical support to the Police Department is the Support Services Division. Last year, the Division’s Communications Bureau was responsible for taking over 228,049 telephone calls and dispatching nearly 70,000 calls for service. The Division’s additional responsibilities include the Records Bureau, Property Unit, Personnel and Training, and Fleet Maintenance.

The Office of the Chief of Police is responsible for the organization’s community outreach programs as well as internal quality control.

Total Police Department Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 37,933,300	\$ 36,904,322	\$ 34,969,783	\$ 35,125,769
Maintenance and Operations	\$ 6,722,495	\$ 6,139,606	\$ 5,699,219	\$ 6,357,302
Capital Equipment	\$ 256,442	\$ 307,224	\$ 39,729	\$ 19,742
Internal Service Fund	\$ 477,300	\$ 589,753	\$ 561,706	\$ 430,000
Total	\$ 45,389,537	\$ 43,940,906	\$ 41,270,437	\$ 41,932,813

Key Department Programs

- Office of the Chief of Police
- Support Services Division
- Patrol Division
- Traffic Division
- Detective Division
- Fleet Maintenance Division

Goals

Promote Community Safety

The Police Department has established measurable goals that focus on Enhancing the Feeling of Safety in the Community. These efforts will include a Department-wide focus on crime reduction; information dissemination by use of media sources, informational sign boards, and Social Media sources such as Facebook, Twitter, and Nixle; conducting Parole and Probation operations to ensure compliance by parolees and probationers; tracking and reducing response times to emergency calls for service, and reducing call answering times for calls into the Communications Center; tracking and reducing criminal investigation clearance rates; target our Community's #1 crime, burglary/theft from motor vehicles; conducting bicycle safety seminars for adults and bicycle safety rodeos for children; conducting Boardwalk Safety operations; explore other options to address problem party residences; increasing Neighborhood Watch participation; and conducting various Community Outreach events across the City.

Enhance Organizational Development

The Police Department has set measurable goals that focus on developing both the individual members of the Police Department as well as the Organization as a whole. These efforts will include a Department-wide focus on improving overall emergency preparedness, including Emergency Operations Center training for all Department supervisors, and disaster training for field personnel; implementation of the First Responder/ Windshield Survey Manual and conducting evacuation procedure reviews with employees; updating of the Department's Succession Plan and establishing leadership programs for line level personnel both sworn and professional staff; conducting regular meetings with all Management Staff; reviewing scheduling options for uniformed divisions; conducting a review of all Patrol beat assignments to ensure maximum efficiency; conducting of Family Outreach events for employees; continue interdepartmental relations meeting with our counterparts in other City departments; conducting a review of the Department's Crime Analysis Unit; and distributing monthly reports Department-wide on favorable conduct of employees.

Establish Budget Efficiencies

The Department will continue to explore methods to improve its fiscal responsibility to City administrators and residences. These methods may include the regionalization of services with adjacent municipal law enforcement agencies; analysis of costs associated with special events, fees for special services, and the evaluation of Department systems to ensure efficient operations based on statistical data. The Police Department's Command Staff will hold weekly budget meetings to hold Department managers accountable for divisional budgets as well as discuss further cost saving measures.

Performance Measures

The following indicators are provided as a means to quantify some of the work accomplished by the Police Department throughout the year. These measures reflect some of the many responsibilities and actions of Police Department staff, and are useful as a set of statistics that can be monitored year-by-year, as well as compared to other cities. The Police Department is committed to creating a safe environment for all residents and visitors to the City, and strives to maintain the exceptional level of service that the Community has come to expect from us.

Workload Indicators	2008-2009 Actual	2009-2010 Actual	2010-2011 Estimated	2011-2012 Projected**
Part One Crimes*	2,941	2,553	2,485	2,348
Adult Arrests	3,245	2,967	3,093	3,080
Juvenile Detentions	257	224	308	290
Total Crime and Misc. Reports	13,143	12,472	11,590	10,826
Calls for Service	69,911	67,966	60,843	65,443
Field Interviews Conducted	4,195	3,809	3,445	4,190
False Alarms Handled	3,444	3,325	3,028	3,353
Vehicle Code Citations/Warnings Issued	19,774	16,936	14,472	16,256
Other Citations Issued (exclusive of Parking Citations)	3,940	3,694	2,627	3,371

* Part One are the eight most serious crimes (Homicide, Forcible Rape, Robbery, Aggravated Assault, Burglary, Larceny-Theft, Auto Theft, and Arson) as defined by the FBI in the Uniform Crimes Reports.

** Projected Service Indicators for FY 2011-12 are derived from mathematical formulas based on historical data and are not indicative of recent downward trends.



The Dispatch center handles a wide range of duties, including answering incoming business and emergency calls, dispatching Officers, and monitoring radio traffic, including county-wide frequencies.



The Police Department Volunteers assist in a wide variety of activities, including Vacation Checks on homes, Community Outreach events, providing Station Tours and clerical work.



Motor Officers are assigned to the Traffic Division, and focus on traffic-related activity and enforcement.

Programs

Office of the Chief of Police

The Office of the Chief of Police is responsible for assisting the Chief of Police in the management and administration of the Police Department. This Division includes Community Relations and Crime Prevention, D.A.R.E., Environmental Services, the Volunteer and Chaplain Programs, and the Color Guard. The Office of the Chief of Police also coordinates the Citizen's Police Academy and Teen Academy programs, investigates complaints and claims against the Department or its employees, tracks personnel data and payroll, issues Press Releases, and works closely with the Community on issues of safety and crime prevention.

In Fiscal Year 2010, approximately 1,600 Newport Beach residents participated in some form of Neighborhood Watch, as sponsored by the Police Department. The Office of the Chief of Police welcomes additional Community involvement and encourages residents to utilize our website for further information.

Staffing:

Positions	FY 2010-11	FY 2011-12
Police Chief	1.0	1.0
Police Lieutenant	2.0	1.0
Police Sergeant	2.0	2.0
Police Officer	2.0	-
Police Community Service Officer	1.0	1.0
Administrative Assistant to the Police Chief	1.0	1.0
Crime Prevention Specialist	1.0	2.0
Crime Prevention Specialist Part-time	0.49	-
Lifeguard Officer	-	0.60
Total Staffing	10.49	8.60

Total Office of the Chief of Police Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 2,055,503	\$ 1,973,549	\$ 1,981,851	\$ 1,592,104
Maintenance and Operations	\$ 41,731	\$ 108,121	\$ 37,694	\$ 57,707
Capital Equipment	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,097,233	\$ 2,081,670	\$ 2,019,544	\$ 1,649,811

Support Services Division

The Support Services Division provides operational support to all Divisions in the Police Department. In addition to sworn staff members, this Division utilizes civilian employees in a variety of positions, which not only reduces staffing costs, but also ensures that sworn Officers are assigned to field positions. Support Services covers a diverse list of responsibilities. Some of

these are vital internal services which directly affect Department operations, including: personnel & training, planning & research, range operations, facility maintenance, budget preparation and administration, purchasing, warrants, electronics maintenance and repair, video services, and information technology. Other sections conduct daily service with the community: the front desk, dispatch, records & identification, property & evidence, and alarms (residential and commercial). Dispatch and Records are operational 24 hours a day, every day of the year, as a constant resource for the community and Department staff. Support Services also has a role in recruitment and hiring, and administers the Cadet Program and Student Intern Program.

In Fiscal Year 2010, approximately 90% of all emergency calls (defined as a present and imminent threat to life or property) were answered by a Dispatcher within 5 seconds.

Staffing:

Positions	FY 2010-11	FY 2011-12
Police Captain	1.0	1.0
Police Lieutenant	1.0	1.0
Police Sergeant	1.0	1.0
Police Officer	2.0	1.0
Police Officer Part-time	0.26	0.26
Police Cadet	2.66	1.70
Rangemaster-Armorer	1.0	1.0
Civilian Supervisor	2.0	2.0
Police Fiscal Services/Facilities Manager	1.0	1.0
Police Computer Systems Manager	1.0	-
Personal Computer/Network Coordinator	1.0	-
Police MIS Specialist	1.0	-
Applications Coordinator Police Department	2.0	-
Electronics Specialist	1.0	-
IT Technician Part-time	0.76	-
Police Community Service Officer	19.0	18.0
Police Community Service Officer Part-time	0.94	0.94
Senior Police Community Service Officer	3.0	2.0
Station Officer	1.0	1.0
Police Support Services Division Administrator	0.0	1.0
Police Dispatcher	12.00	11.0
Police Dispatcher Part-time	2.22	2.22
Senior Police Dispatcher	3.0	3.0
Total Staffing	59.84	49.12

Total Support Services Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 6,945,561	\$ 6,566,017	\$ 6,389,409	\$ 5,412,686
Maintenance and Operations	\$ 3,434,740	\$ 3,234,904	\$ 2,678,600	\$ 3,604,283
Capital Equipment	\$ 236,208	\$ 300,046	\$ 30,540	\$ 12,694
Total	\$ 10,616,509	\$ 10,100,966	\$ 9,098,548	\$ 9,029,663

Patrol Division

The primary purpose of the Patrol Division is to maintain the safety and security of the Community. The Patrol Division is on-duty 24 hours per day, every day of the year. The Patrol Division is actively involved in the Community through responding to Calls for Service, conducting preliminary Investigations on all reported crimes, controlling crowds, and enforcing laws and ordinances. Patrol Officers also work diligently on preventative measures to actively stop crime and disturbances before they occur. Specialized teams within this Division – the Gang Suppression Unit, S.W.A.T. Unit, Crisis Negotiation Team, Bicycle Unit, and Canine Officers – have specific training and expertise to augment regular Patrol functions.

The Patrol Division is also responsible for Jail Operations, the ABLE Helicopter Program, and the Reserve Officer Program. The Explorer Unit, which is affiliated with the Boy Scouts of America, is a volunteer unit of persons between the ages of 14 and 20, and is under the control of the Patrol Division Commander. The Explorer Program not only gives local youth valuable insight into a career in law enforcement, but also provides the City with a trained and coordinated group of young people to assist in various functions throughout the year.

In Fiscal Year 2010, the average response time to a top priority call was 2.8 minutes from the moment the call was received until an Officer arrived on scene. Also, an Officer arrived on scene within 5 minutes in 95% of all Emergency calls (which involve a Police response with lights and sirens).

Staffing:

Positions	FY 2010-11	FY 2011-12
Police Captain	1.0	1.0
Police Lieutenant	3.0	4.0
Police Lieutenant (Helicopter)	1.0	-
Police Sergeant	10.0	12.0
Police Officer	66.0	68.0
Police Officer Helicopter	2.0	2.0
Police Reserve Officer	4.17	4.17
Civilian Custody Supervisor	1.0	1.0
Custody Officer	9.00	8.0
Custody Officer Part-time	0.12	-
Police Community Service Officer	1.0	1.0
Helicopter Mechanic	2.0	2.0
Senior Helicopter Mechanic	1.0	1.0
Helicopter Facilities Maintenance Worker	1.0	-
Total Staffing	102.29	104.17

Total Patrol Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 16,291,878	\$ 16,011,093	\$ 15,218,613	\$ 17,275,247
Maintenance and Operations	\$ 1,228,483	\$ 1,131,914	\$ 997,957	\$ 779,333
Capital Equipment	\$ -	\$ -	\$ -	\$ -
Total	\$ 17,520,362	\$ 17,143,007	\$ 16,216,570	\$ 18,054,580

Traffic Division

The primary purpose of the Traffic Division is Traffic Law enforcement. This Division also provides collision investigation, follow-up investigation on traffic-related felony arrests, parking enforcement, and animal control services. The Division works actively to investigate public concerns and complaints regarding traffic issues and to increase the traffic awareness of all members of the community through traffic education programs. The Traffic Division also reviews and makes recommendations on special events that may adversely affect the City, or warrant additional Police Department presence. As a recipient of grants funds from the Office of Traffic Safety, the Traffic Division is also able to aggressively pursue the prevention and enforcement of DUI's. The Division conducts DUI Checkpoints throughout the year, and conducts increased DUI patrols on a regular basis.

In Fiscal Year 2010, the Traffic Division handled 3 Fatal Traffic Collisions, 443 Injury Traffic Collisions, and 720 Property Damage Traffic Collisions. 51,074 Parking Citations were issued throughout the City for various infractions. Also, Animal Control Officers impounded 416 stray or injured animals and 362 Animal Control Citations were issued.

Staffing:

Positions	FY 2010-11	FY 2011-12
Police Lieutenant	1.0	1.0
Police Sergeant	2.0	2.0
Police Officer	16.0	11.0
Animal Control Officer	3.0	2.0
Senior Animal Control Officer	1.0	1.0
Civilian Supervisor	1.0	-
Police Community Service Officer	7.0	4.0
Police Community Service Officer Part-time	3.74	2.69
Senior Police Community Service Officer	1.0	1.0
Total Staffing	35.74	24.69

Total Traffic Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 4,721,037	\$ 4,769,466	\$ 4,409,128	\$ 3,936,284
Maintenance and Operations	\$ 282,222	\$ 262,954	\$ 332,466	\$ 316,773
Capital Equipment	\$ 2,923	\$ -	\$ -	\$ -
Total	\$ 5,006,181	\$ 5,032,421	\$ 4,741,594	\$ 4,253,057

Detective Division

The Detective Division conducts follow-up investigation on all reported crimes and (non-traffic related) felony arrests occurring within the City. The Detectives in this Division apprehend suspects, recover stolen property and prepare cases for presentation in Court. The Division also monitors massage establishments and pawn shop transactions, gathers and tracks crime statistics, liaisons with the Harbor Judicial District, and - through grant funding - monitors establishments that are licensed by the California Alcoholic Beverage Control. Specialized Units and Sections in this Division are responsible for: burglary, theft and grand theft auto; Crime Scene Investigation; narcotics and special investigations; crime suppression; crimes against persons; economic crimes; and juvenile and sexual assault investigations. School Resource Officers, who provide a Police presence in local schools and coordinate the grant-funded "Every 15 Minutes" DUI Awareness Program, are also provided by this Division.

In Fiscal Year 2010, 5,898 were assigned for Investigation, including 196 Domestic Violence Cases. On average, each Detective was assigned 421 cases throughout the year. Investigations resulted in the recovery of property valued at \$2,440,232.

Staffing:

Positions	FY 2010-11	FY 2011-12
Assistant Police Chief	-	1.0
Police Captain	1.0	-
Police Lieutenant	1.0	1.0
Police Sergeant	6.0	5.0
Police Officer	27.0	22.0
Police Reserve Officer	0.19	0.19
Crime Scene Investigator	4.0	4.0
Senior Crime Scene Investigator	1.0	1.0
Senior Crime Analyst	1.0	1.0
Police Community Service Officer	2.0	2.0
Total Staffing	43.19	37.19

Total Detective Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 7,708,936	\$ 7,374,848	\$ 6,754,746	\$ 6,687,790
Maintenance and Operations	\$ 136,923	\$ 114,252	\$ 116,363	\$ 118,429
Capital Equipment	\$ 17,311	\$ 7,178	\$ 9,190	\$ 7,048
Total	\$ 7,863,170	\$ 7,496,278	\$ 6,880,298	\$ 6,813,267

Fleet Maintenance Division

The Fleet Maintenance Division maintains all fleet vehicles within the Police Department. Staff is on-hand daily to perform routine maintenance, conduct repairs, and track the service history of all fleet vehicles. Police Department vehicles are operated under harsh and rugged conditions, around the clock on a daily basis, and are outfitted with sophisticated equipment, including Mobile Video Systems, Mobile Data Computers, and 800 MHz radios. The Division supports these systems, and conducts significant maintenance, allowing the field officers to operate efficiently and effectively with minimal "down time." The Police Department fleet consists of marked Police Cars and SUV's, marked Police Motorcycles, unmarked vehicles, ATV's (for use on the beaches), Parking Control Trucks, Animal Control Trucks, Transportation Vans, a Mobile Command Post, and specialized vehicles for the S.W.A.T. team.

Staffing:

Positions	FY 2010-11	FY 2011-12
Police Mechanic II	1.0	1.0
Senior Police Mechanic	1.0	1.0
Total Staffing	2.00	2.00

Total Fleet Maintenance Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 210,386	\$ 209,349	\$ 216,036	\$ 221,658
Maintenance and Operations	\$ 1,598,396	\$ 1,287,462	\$ 1,536,140	\$ 1,480,777
Capital Equipment	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,808,781	\$ 1,496,811	\$ 1,752,176	\$ 1,702,435

Fire Department

Mission Statement

To reduce the loss of life and property from fire, medical, marine and environmental emergencies through education, prevention, hazard reduction and response.

The mission statement above provides the framework for all of the goals and activities of the Newport Beach Fire Department. The Department's 156 full-time employees and over 225 seasonal employees provide 24-hour protection and response to the City's residents and visitors.

Key Department Programs

- Administration
- Emergency Medical Services and Fire Operations
- Prevention and Preparedness
- Lifeguard Operations

Goals

- Identify and reduce fire and environmental hazards that may threaten life and property.
- Provide a safe, effective, and expeditious response to requests for assistance.
- Provide emergency ambulance transportation with licensed Firefighter Paramedics capable of basic and advanced life support.
- Develop an adequately trained work force to effectively perform their duties.
- Participate in the community development planning process to improve fire and life safety.
- Encourage department personnel to assume leadership roles in the organization.
- Plan for response to natural and man-made disasters that affect the community.
- Educate and train City employees and the community to assist them in maintaining a safe environment.

2011-2012 Emphasis

With strong roots and a long history, the Fire Department continues to develop and enhance its mission of superior safety, service, and professionalism. The Fire Department continues to build on past successes and strives to meet the future demands of a unique and expanding community. Today, the Newport Beach Fire Department places emphasis on Emergency Services, Fire Prevention, Disaster Preparedness, and the Training and Education of those who serve as well as those to be served.

Workload Indicators	2008-2009 Actual	2009-2010 Actual	2010-2011 Estimated	2011-2012 Projected
Fire Responses	371	338	335	350
Medical Responses	6,804	6,985	7,148	7,200
Fire Medics Membership	6,200	6,000	6,000	6,000
Water Rescues	4,809	4,352	2,203	4,000
Lifeguard Medical Aids	6,056	6,099	5,035	6,000
Boats in Distress/Warnings	25	120	100	100
Preventive Actions	86,223	101,207	76,249	87,000
Fire Alarm Responses	1,232	1,739	1,244	1,500
Other Emergency Responses	930	2,198	2,271	2,200
Public Education Contacts	6,324	10,348	11,659	12,000
Fire Inspections	6,912	7,000	7,282	7,300
New Construction Inspections	992	865	883	900
Beach Attendance	7,681,651	9,885,521	7,102,150	7,750,000

Total Department Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 28,214,273	\$ 28,217,618	\$ 27,551,513	\$ 28,361,794
Maintenance and Operations	\$ 4,815,522	\$ 4,704,972	\$ 4,971,124	\$ 5,868,611
Capital Equipment	\$ 333,352	\$ 488,456	\$ 142,031	\$ 223,893
Total	\$ 33,363,147	\$ 33,411,046	\$ 32,664,668	\$ 34,454,298



Programs

Administration

Core Functions:

- Overall management of department and personnel



Staffing:

Positions	FY 2010-11	FY 2011-12
Fire Chief	1.0	1.0
Fire Captain + 7.5%	1.0	-
Fire Information Systems Coordinator	1.0	-
Fire Support Service Manager	1.0	-
Lifeguard Battalion Chief	1.0	-
EMS Manager	0.5	0.5
Administrative Analyst	-	1.0
Senior Fiscal Clerk	1.0	-
Administrative Assistant to the Fire Chief	1.0	1.0
Office Assistant	1.0	-
Support Services Aide Part-time	1.0	1.0
Total Staffing	9.5	4.5

Total Administration Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 1,463,735	\$ 1,095,366	\$ 832,716	\$ 648,135
Maintenance and Operations	\$ 157,064	\$ 154,155	\$ 162,480	\$ 584,736
Capital Equipment	\$ 21,510	\$ 13,133	\$ 7,391	\$ 5,000
Total	\$ 1,642,309	\$ 1,262,653	\$ 1,002,587	\$ 1,237,871

Emergency Medical Services and Fire Operations

Core Functions:

- All risk emergency response
- Training and education
- Pre-hospital care and emergency transport
 - Advanced life support
 - Basic life support
- Fire cause determination



Staffing:

Positions	FY 2010-11	FY 2011-12
Fire Deputy Chief	1.0	0.0
Assistant Fire Chief	0.0	1.0
Fire Line Battalion Chief	3.0	3.0
Fire Captain	30.0	30.0
Fire Engineer	30.0	30.0
Fire Paramedic	24.0	24.0
Firefighter	30.0	30.0
EMS Manager	0.5	0.5
Fire Division Chief	1.0	0.0
Fire Battalion Chief	0.0	1.0
Department Assistant	2.0	2.0
Total Staffing	121.5	121.5

Total Emergency Medical Services and Fire Operations Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 21,241,566	\$ 21,716,256	\$ 21,663,264	\$ 23,072,070
Maintenance and Operations	\$ 3,153,596	\$ 3,085,901	\$ 3,372,671	\$ 3,579,640
Capital Equipment	\$ 290,030	\$ 437,216	\$ 88,418	\$ 154,077
Total	\$ 24,685,192	\$ 25,239,373	\$ 25,124,354	\$ 26,805,787

Programs

Prevention and Preparedness

Core Functions:

- Mitigate threats to life, health, and property
- 6,500 commercial occupancy inspections
- Technical inspections
- Wildland interface property inspections
- Building plan review
- Maintain hazardous materials disclosure records
- Prepare citizens through CERT programs and other community education opportunities

Staffing:

Positions	FY 2010-11	FY 2011-12
Fire Marshall	1.0	0.0
Fire Division Chief	0.0	1.0
Fire Marshall Deputy	1.0	0.0
Community Education Coordinator	0.0	1.0
Fire Prevention Specialist Non-Sworn	1.0	1.0
Fire Prevention Plans Examiner Non-Sworn	2.0	2.0
Department Assistant	1.0	1.0
Lifeguard Captain	1.0	1.0
Lifeguard Battalion Chief	0.5	0.5
Lifeguard Cadet	-	0.48
Lifeguard I	2.88	2.88
Lifeguard II	3.79	3.79
Lifeguard III	0.72	0.99
Emergency Services Coordinator	1.0	0.5
Community Preparedness Coordinator	1.0	-
Total Staffing	16.9	16.14

Total Prevention and Preparedness Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 1,846,078	\$ 1,834,441	\$ 1,662,691	\$ 1,782,873
Maintenance and Operations	\$ 762,165	\$ 769,864	\$ 758,190	\$ 868,719
Capital Equipment	\$ 12,784	\$ 29,982	\$ 38,109	\$ 45,640
Total	\$ 2,621,028	\$ 2,634,286	\$ 2,458,990	\$ 2,697,232

Lifeguard Operations

Core Functions:

- Ocean and beach safety
- Aquatic rescue
- Public education through Junior Lifeguard Guards and other programs
- Specialized training
- Enforce water safety regulations

Staffing:

Positions	FY 2010-11	FY 2011-12
Lifeguard Battalion Chief	2.5	2.5
Lifeguard Captain	6.0	3.0
Lifeguard Captain Boat	2.0	1.0
Lifeguard Supervisor Part-time	-	1.72
Lifeguard Officer	4.0	-
Lifeguard I	12.5	12.5
Lifeguard II	7.78	7.78
Lifeguard III	1.38	1.11
Department Assistant	1.0	-
Lifeguard Cadet	0.96	-
Lifeguard Trainee	2.12	2.12
Total Staffing	40.24	31.73



Total Lifeguard Operations Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 3,662,895	\$ 3,571,555	\$ 3,392,842	\$ 2,873,395
Maintenance and Operations	\$ 742,697	\$ 695,053	\$ 677,783	\$ 729,933
Capital Equipment	\$ 9,027	\$ 8,127	\$ 8,113	\$ 9,550
Total	\$ 4,414,619	\$ 4,274,734	\$ 4,078,738	\$ 3,612,878

Community Development

Mission Statement

A responsive, knowledgeable team of professionals guiding community development in the public interest and promoting the quality of life and safety of those who live, work and visit the City of Newport Beach.

Department Overview

The range of services encompass revitalization of targeted areas, retaining and attracting businesses to Newport Beach, creating and maintaining residential neighborhoods to ensure that Newport Beach provides safe, economically vital and aesthetically pleasing places in which to live, work, and visit. The Community Development Department administers the City's land use policies, including the general plan, zoning, building, subdivision, and environmental regulations, to ensure the orderly physical growth of the community. Program activities range from advanced and current planning to building permit inspection, plan check, economic development, and code enforcement. The Department also oversees the Community Development Block Grant (CDBG) program.

Key Department Programs

- Building
- Code Enforcement
- Planning

Department Goals

- Continue to prepare and implement short and long-term strategies that promote City Council priorities for enhancing the physical environment and the character and quality of neighborhoods in Newport Beach.
- Continue to refine and improve internal and external customer service and streamline the development review process.
- Develop an implementation plan to expand upon new and enhanced technologies.
- Continue to improve document storage and retrieval for all department records.
- Implement the General Plan and Zoning Code to ensure quality neighborhoods and businesses throughout the City.
- Prepare revitalization and vision plans for areas directed by the Council and City Manager.
- Manage the preparation of Environment Impact Reports for the following:
 - Newport Banning Ranch
 - Newport Beach Country Club
 - Conexant residential development
 - Koll Center Newport residential development

Workload Indicators	2008-2009 Actual	2009-2010 Actual	2010-2011 Estimated**	2011-2012 Projected**
Planning Division				
<u>Projects Reviewed by Approval Authority</u>				
City Council / Planning Commission	46	39	45	40
Zoning Administrator	80	55	65	60
Planning Director / Staff	2,449	2,462	2,500	2,500
Building Division				
Plan Submittals <i>Total Plan Checks:</i>	2,232	2,324	2,200	2,200
<u>Permits Issued</u>				
Building/Combination Permits	2,301	2,393	2,700	2,700
Grading Permits	0 *	0 *	1 *	1 *
Electrical Permits	487 *	520 *	800 *	800
Plumbing Permits	409 *	409 *	500 *	500
Mechanical Permits	315 *	348 *	390 *	390
Pool/Spa Permits	90	105	102	102
Harbor Permits	70	76	52	52
Residential Building Records Permits	615	650	900	900
Fire Permits	414	477	480	480
<i>Total Permits Issued:</i>	4,699 *	4,978 *	5,925 *	5,925
<u>Inspections</u>				
Building Code Enforcement	397	148	15	15
Inspections Related to Complaints	1,441	2,880	2,200	2,000
RBR Inspections	250	1,042	985	1,000
Construction Inspections	23,956	21,254	27,000	27,000
<i>Total Inspections:</i>	26,046	25,324	30,200	30,200
Code Enforcement Division				
Administrative Citations Issued	254	393	150	200
Notice of Violations Issued	943	1,117	900	1,200
* Significant number of additional permits are included with the combination permits. ** Seasonal conditions and economic factors can significantly affect future projections.				

Total Department Costs:

	2008-09 Actual*	2009-10 Actual*	2010-11 Estimated*	2011-12 Proposed^
Salaries and Benefits	\$ 6,595,452	\$ 6,642,891	\$ 6,129,609	\$ 7,085,032
Maintenance and Operations	\$ 1,416,897	\$ 884,694	\$ 826,503	\$ 1,824,701
Capital Equipment	\$ 25,488	\$ 6,721	\$ 3,466	\$ 30,200
CDBG Fund	\$ 124,479	\$ 134,720	\$ 101,462	\$ 113,319
Total	\$ 8,162,316	\$ 7,669,026	\$ 7,061,040	\$ 9,053,252

*CDD is a new Department that combines the Building, Code Enforcement and Planning Divisions.

^In FY 2012, Code Enforcement was split between Community Development and Public Works, previously combined as one in the City Manager's Department.

Programs

Planning Division

Core Functions:

- Interpreting and applying the provisions of the General Plan, Zoning Code, Local Coastal Program and related codes.
- Continue to work with customers in determining appropriate uses of properties, in identifying suitable site plan configurations and in designing buildings of size, scale and character consistent with traditions of excellence that define Newport Beach.
- Planners provide the staffing support for the Planning Commission and the City Council for a variety of land use and development projects requiring public hearings pursuant to the Newport Beach Municipal Code.
- Continue to evaluate discretionary case processing and plan check for improved efficiencies.
- Continue to develop and implement the City's economic development policies and programs and continue to work with and support the Business Improvement Districts (BID's) and associations.

Staffing:

Positions	FY 2010-11	FY 2011-12
Planning Director	1.0	-
Community Development Director	-	0.5
Deputy Community Development Director	-	1.0
Planning Manager	1.0	1.0
Planning Systems Administrator	1.0	-
Systems & Administrative Manager	-	1.0
Planning Technician	2.0	2.0
Assistant Planner	6.0	6.0
Associate Planner	3.0	3.0
Senior Planner	2.0	2.0
Principal Planner	1.0	1.0
Administrative Assistant	1.0	1.0
Administrative Analyst	-	0.5
Department Assistant + 7.5%	2.0	2.0
Student Aide	0.4	0.4
Economic Development Coordinator	1.0	-
Economic Development Administrator	1.0	-
Total Staffing	22.4	21.4

Total Planning Program Costs:

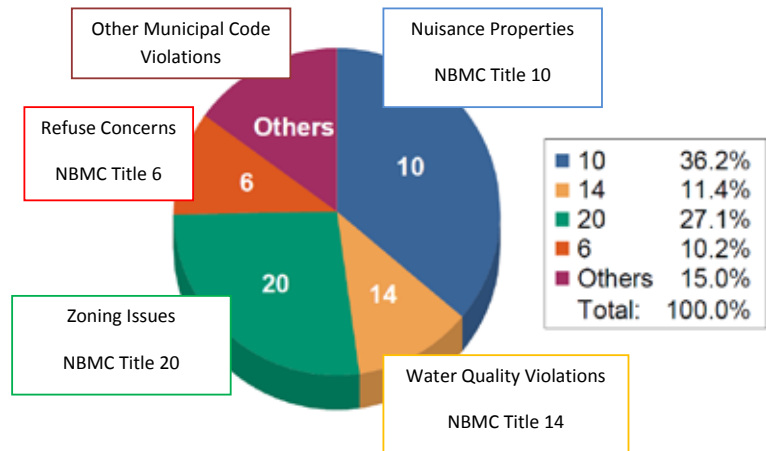
	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 2,536,501	\$ 2,579,086	\$ 2,314,326	\$ 2,556,920
Maintenance and Operations	\$ 780,269	\$ 546,022	\$ 479,108	\$ 898,935
Capital Equipment	\$ 7,989	\$ 982	\$ 2,153	\$ 2,000
CDBG Fund	\$ 124,479	\$ 134,720	\$ 123,181	\$ 113,319
Total	\$ 3,449,238	\$ 3,260,810	\$ 2,918,768	\$ 3,571,174

Code Enforcement Division

Core Functions:

- Continue public outreach and education on City and State-mandated programs and policies.
- Preventing and abating nuisance violations at residential and commercial properties.
- In commercial areas, focus on non-compliant use permits, unpermitted signage, unpermitted uses and property maintenance.
- In residential areas, focus on property maintenance and nuisance conditions, investigate and ensure compliance with Zoning Code, and monitor and ensure compliance with use permits and development agreements.
- Investigate inquiries regarding illegal dwelling units and abate violations.
- Assist in public outreach and enforcement of water quality regulations.

Current Code Enforcement Division Workload



Staffing:

Positions	FY 2010-11	FY 2011-12
Code & Water Quality Enforcement Division Mgr	1.0	-
Code Enforcement Supervisor	-	1.0
Code & Water Quality Enforcement Officer	2.0	1.0
Senior Code & Water Quality Enforcement Officer	1.0	1.0
Code & Water Quality Enforcement Trainee	1.0	1.0
Office Assistant, Part-time	0.25	0.25
Total Staffing	5.25	4.25

Total Code Enforcement Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed*
Salaries and Benefits	\$ -	\$ -	\$ -	\$ 416,787
Maintenance and Operations	\$ -	\$ -	\$ -	\$ 63,147
Capital Equipment	\$ -	\$ -	\$ -	\$ 2,000
Total	\$ -	\$ -	\$ -	\$ 481,934

*Code Enforcement is a new Division split between Community Development and Public Works, previously combined as one in the City Manager's Department.

Building Division

Core Functions:

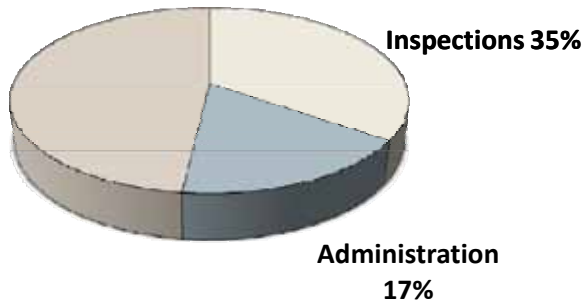
- Continue to provide high quality customer service; process utility releases; process applications for requests for modifications, alternate material or method of construction; and provide FEMA flood zone determinations.
- Review construction documents for compliance with structural, architectural, grading, and fire safety code requirements.
- Building Inspectors ensure compliance with approved plans, applicable codes, local ordinances, and investigate customer complaints on building safety.
- Assist customers with retrieving archived records; including plans, permits and support documents from microfiche and the digital database.
- Evaluate opportunities to continue to implement streamlined permitting and plan check procedures.
- Continue to evaluate and implement, if appropriate, electronic plan submittal and review.

Staffing:

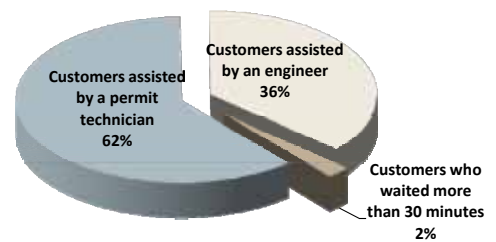
Positions	FY 2010-11	FY 2011-12
Building Director	1.0	-
Deputy Building Official	1.0	-
Building Manager/Chief Building Official	-	1.0
Community Development Director	-	0.5
Chief Building Inspector	1.0	1.0
Principal Building Inspector	2.0	2.0
Senior Building Inspector	4.0	3.0
Residential Building Records Inspector	1.0	1.0
Building Inspector II	3.0	3.0
Subtrade Plans Examiner	-	1.0
Principal Civil Engineer	2.0	2.0
Senior Civil Engineer Plan Check	6.0	6.0
Building Department Specialist	1.0	1.0
Permit Counter Supervisor	1.0	1.0
Permit Technician I	1.0	1.0
Permit Technician II	3.0	3.0
Permit Technician II Part-time	0.5	0.5
Records Specialist	1.0	1.0
Administrative Assistant	1.0	1.0
Administrative Analyst	-	0.5
Department Assistant	1.0	1.0
Office Assistant	1.0	1.0
Student Aide	0.66	0.66
Total Staffing	32.16	32.16



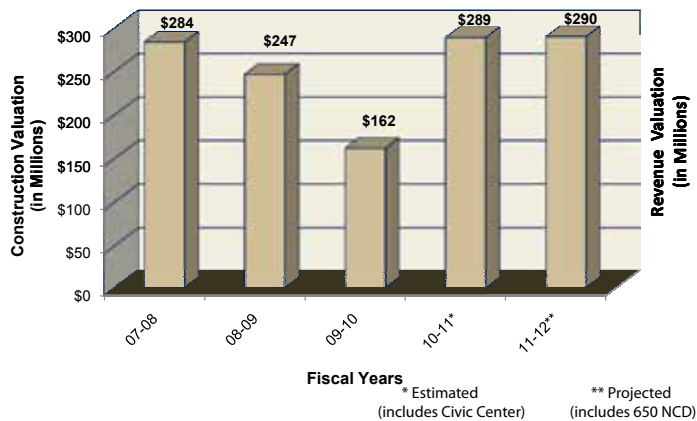
**Plan Check /
Permit Services
48%**



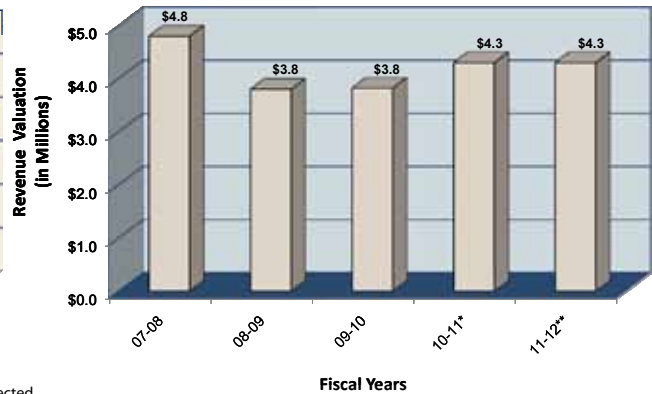
Number of Customers Assisted
18,559 Total Customers
Jan. 2010 to Jan. 2011



Building Division Construction Valuation



Building Division Revenue



Building Total Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 4,058,951	\$ 4,063,805	\$ 3,815,283	\$ 4,111,325
Maintenance and Operations	\$ 636,628	\$ 338,672	\$ 347,395	\$ 862,619
Capital Equipment	\$ 17,499	\$ 5,739	\$ 1,313	\$ 26,200
Total	\$ 4,713,078	\$ 4,408,216	\$ 4,163,992	\$ 5,000,144

Municipal Operations Department

Mission Statement

To provide clean, safe, and responsive utility and infrastructure maintenance services to the community of Newport Beach.

Department Overview

Responsible for providing water service, wastewater collection, oil and gas production, electrical services, streetlight services, refuse collection, park and tree maintenance, storm drain, facilities and beach maintenance, street and sidewalk maintenance, vehicle and equipment maintenance, and administrative support.

Key Department Programs

The department is divided into ten functional divisions that are responsible for administrative support, customer service, and regulatory compliance; electrical maintenance of pump stations, control systems, and street lighting; residential refuse collection and recycling; safe operation and maintenance of oil and natural gas production; maintenance of the City's urban forest, parks and landscaped areas; delivery of safe drinking water; street sweeping and maintenance of storm drains, tide valves, beaches, traffic signs, and public facilities; safe collection and delivery of wastewater for treatment; management and replacement of the City fleet of vehicles and equipment; and improvement of public streets and sidewalks.

Goals

- Build on previous successful efforts to reduce costs while maintaining excellent levels of service.
- Move forward with the purchase of alternative fuel replacements for fleet vehicles.
- Reduce the volume and duration of streetlight outages through an improved maintenance program.
- Evaluate the impact of reduced staff positions on internal services
- Meet current and future needs for infrastructure, services, and resources for citizens and visitors through contract management
- Provide the City a safe, reliable, and cost-competitive water supply.
- Operate and maintain the City's water, wastewater, oil and gas, and street lighting systems in an efficient and innovative manner.
- Provide outstanding customer service and education to the public, other departments, and agencies.
- Encourage continuous employee assessment and development programs.
- Facilitate the flow of information by maintaining a records management system.

Workload Indicators	2008-2009 Actual	2009-2010 Actual	2010-2011 Estimated	2011-2012 Projected
Residential Refuse Collected (tons)	32,013	33,851	33,800	34,000
Beach Debris Collected (tons)	1,540	1,853	1,076	1,800
Diversion Rate	52%	- *	- *	- *
Sidewalk Repair (square feet)	49,644	49,540	39,972	42,000
Curb & Gutter Replacement (linear feet)	4,641	2,879	2,708	3,200
Street Sweeping (cubic yards)	5,941	6,225	6,001	6,200
Street & Pavement Marking (linear feet)	223,397	33,915	453,863	300,000
Graffiti Incidents	1,268	2,769	857	2,000
Parks Maintained	55	56	56	57
Landscaped Acres Maintained	608	621	684	641
Trees Trimmed	16,000	12,654	11,879	7,950
Street Light Cable Installed/Pulled (miles)	3.1	2.7	1.9	2.0
Street Light Devices Replaced	1,763	2,936	2,793	2,600
Electrical Emergency Responses	85	132	120	115
Electrical Service Requests	1,195	1,082	1,061	1,100
Oil Produced (barrels)	30,954	27,280	30,100	30,100
Gas Produced (MCF)	14,832	14,279	14,050	14,050
Barrels of Water Injected	403,211	392,034	401,000	401,000
Water Purchased/Produced (acre feet)	17,155	16,012	15,841	16,000
Reclaimed Water Used (acre feet)	300	432	370	420
Fire Hydrants Serviced/Repaired	473	1,200	2,750	2,750
Water Meters Read	161,503	161,715	161,805	161,900
Main Breaks	8	13	24	22
Water Service Requests	1,415	1,775	2,000	2,200
Pipe Cleaned (miles)	209	200	235	240
Pipe Video Inspected (miles)	24	27	21	22
Dig Outs	44	53	51	50
Wastewater Service Requests	584	440	311	400

* Per SB1016, diversion rate has been replaced by per capita disposal equivalent beginning with the 2009 report.
MCF = one thousand cubic feet = 7,481 gallons
Acre Foot = 325,850 gallons



Celebrating 20 years as Tree City USA and the City's commitment to maintaining a beautiful urban forest.

Total Municipal Operations Department Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
General Fund				
Salaries and Benefits	\$ 10,770,424	\$ 10,743,294	\$ 10,143,280	\$ 9,500,928
Maintenance and Operations	\$ 13,117,591	\$ 12,558,871	\$ 13,292,092	\$ 13,591,824
Capital Outlay	\$ 7,022	\$ 17,778	\$ 25,150	\$ 25,150
General Fund Total	\$ 23,895,036	\$ 23,319,944	\$ 23,460,522	\$ 23,117,902
Water Fund				
Salaries and Benefits	\$ 4,174,246	\$ 3,824,526	\$ 4,029,435	\$ 4,117,707
Maintenance and Operations	\$ 12,552,548	\$ 13,057,511	\$ 16,134,173	\$ 15,000,268
Capital Outlay	\$ 84,360	\$ 31,069	\$ 26,400	\$ 21,000
Water Fund Total	\$ 16,811,155	\$ 16,913,107	\$ 20,190,007	\$ 19,138,975
Wastewater Fund				
Salaries and Benefits	\$ 1,515,122	\$ 1,506,063	\$ 1,576,980	\$ 1,573,152
Maintenance and Operations	\$ 1,248,078	\$ 1,195,846	\$ 1,650,782	\$ 1,441,110
Capital Outlay	\$ 29,717	\$ 9,767	\$ 27,800	\$ 36,000
Wastewater Fund Total	\$ 2,792,917	\$ 2,711,676	\$ 3,255,562	\$ 3,050,262
Tidelands Fund				
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -
Maintenance and Operations	\$ 671,273	\$ 711,311	\$ 838,620	\$ 798,325
Capital Outlay	\$ -	\$ -	\$ -	\$ -
Tidelands Fund Total	\$ 671,273	\$ 711,311	\$ 838,620	\$ 798,325
Operations - All Funds	\$ 44,170,380	\$ 43,656,038	\$ 47,744,711	\$ 46,105,464
Internal Service Fund				
Equipment Fund	\$ 3,266,604	\$ 3,604,978	\$ 4,404,760	\$ 4,585,565
Capital Improvement Projects (CIP)				
Water	\$ 1,433,341	\$ 1,807,575	\$ 2,647,050	\$ 4,637,000
Wastewater	\$ 423,255	\$ 489,526	\$ 1,747,854	\$ 901,500
CIP Total	\$ 1,856,596	\$ 2,297,102	\$ 4,394,904	\$ 5,538,500
Total	\$ 49,293,580	\$ 49,558,117	\$ 56,544,375	\$ 56,229,529



These CNG-powered refuse trucks are the newest additions to the City's alternative fuel fleet.

Programs

Administration

Intended Outcome: administrative support, customer service, and regulatory compliance

Core Functions:

- Provide administrative support for department staff
- Manage contracts

Staffing:

Positions	FY 2010-11	FY 2011-12
Director	1.0	0.5
Deputy Director	1.0	1.0
Administrative Manager	-	0.5
Management Assistant	1.0	1.0
Administrative Assistant	1.0	1.0
Department Assistant	1.0	1.0
Administrative Analyst	1.0	-
Total Staffing	6.0	5.0

Total Administration Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 778,874	\$ 782,021	\$ 835,499	\$ 665,740
Maintenance and Operations	\$ 87,166	\$ 84,723	\$ 68,943	\$ 126,120
Capital Equipment	\$ 933	\$ 1,500	\$ 2,500	\$ 2,500
Total	\$ 866,973	\$ 868,244	\$ 906,942	\$ 794,360

Electrical

Intended Outcome: electrical maintenance of pump stations, control systems, and street and outdoor lighting

Core Functions:

- Provide electrical maintenance services for water/wastewater systems, streetlights and city facilities

Total Electrical Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 529,067	\$ 460,636	\$ 374,570	\$ -
Maintenance and Operations	\$ 922,648	\$ 694,614	\$ 958,071	\$ 771,334
Capital Equipment	\$ 2,977	\$ 3,745	\$ 3,650	\$ 3,650
Total	\$ 1,454,692	\$ 1,158,994	\$ 1,336,290	\$ 774,984

Equipment Maintenance

Intended Outcome: maintenance, repair, and replacement of the City fleet of vehicles and equipment

Core Functions:

- Vehicle Maintenance and Repair
- Vehicle Specifications, purchase and salvage

Staffing:

Positions	FY 2010-11	FY 2011-12
Equipment Maintenance Superintendent	1.0	1.0
Equipment Maintenance Supervisor	1.0	1.0
Equipment Mechanic I	3.0	1.0
Equipment Mechanic II	4.0	6.0
Senior Equipment Mechanic	1.0	1.0
Automotive Parts Buyer	1.0	1.0
Automotive Stock Clerk	1.0	1.0
Fiscal Clerk	1.0	1.0
Maintenance Aide	0.75	0.75
Total Staffing	13.75	13.75

Total Equipment Maintenance Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 1,520,219	\$ 1,459,423	\$ 1,346,019	\$ 1,392,990
Maintenance and Operations	\$ 741,193	\$ 692,257	\$ 709,579	\$ 709,575
Capital Equipment	\$ 1,005,192	\$ 1,453,298	\$ 2,349,162	\$ 2,483,000
Total	\$ 3,266,604	\$ 3,604,978	\$ 4,404,760	\$ 4,585,565

Field Maintenance

Intended Outcome: maintenance and repair of public streets and sidewalks

Core Functions:

- Inspect and repair asphalt and concrete surfaces including roadways, sidewalks, curbs and gutters

Staffing:

Positions	FY 2010-11	FY 2011-12
Field Maintenance Superintendent	1.0	1.0
Street Maintenance Supervisor	1.0	1.0
Street Maintenance Crew Chief	1.0	1.0
Concrete Supervisor	1.0	1.0
Concrete Maintenance Crew Chief	1.0	1.0
Concrete Finisher	2.0	2.0
Traffic Painter	1.0	1.0
Equipment Operator I	3.0	2.0
Equipment Operator II	5.0	5.0
Maintenance Worker I	1.0	1.0
Maintenance Worker II	5.0	5.0
Temporary Labor	0.75	0.75
Total Staffing	22.75	21.75

Total Field Maintenance Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 2,131,590	\$ 2,232,048	\$ 2,144,476	\$ 2,188,570
Maintenance and Operations	\$ 1,660,355	\$ 1,334,773	\$ 1,333,047	\$ 1,253,450
Capital Equipment	\$ -	\$ 614	\$ 2,000	\$ 2,000
Total	\$ 3,791,944	\$ 3,567,436	\$ 3,479,523	\$ 3,444,020

Oil & Gas

Intended Outcome: safe operation and maintenance of oil and natural gas production

Core Functions:

- Ensure the safe operation and economic stability of the City's oil field

Total Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -
Maintenance and Operations	\$ 671,273	\$ 711,311	\$ 635,955	\$ 978,325
Capital Equipment	\$ -	\$ -	\$ -	\$ -
Total	\$ 671,273	\$ 711,311	\$ 635,955	\$ 978,325

Operations Support

Intended Outcome: street sweeping, storm drains, tide valves, beaches, traffic signs and public facilities

Core Functions:

- Facilities Maintenance
- Storm Drain and Tide Valve Operation and Maintenance
- Street Sweeping
- Beach Maintenance
- Graffiti Abatement

Staffing:

Positions	FY 2010-11	FY 2011-12
Operations Support Superintendent	1.0	1.0
Storm Drain/Street Sweeping Supervisor	1.0	1.0
Storm Drain/Street Sweeping Crew Chief	1.0	1.0
Beach Maintenance Supervisor	1.0	1.0
Facilities Maintenance Crew Chief	1.0	1.0
Facilities Maintenance Worker II	3.0	-
Electrician	-	1.0
Carpenter	2.0	-
Sign & Paint Shop Technician	2.0	-
Equipment Operator I	1.0	1.0
Equipment Operator II	6.0	6.0
Maintenance Worker I	4.0	4.0
Maintenance Worker II	3.0	3.0
Temporary Labor	1.5	2.0
Facilities Maintenance Tech	-	4.0
Total Staffing	27.5	26.0

Total Operations Support Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 3,044,520	\$ 2,958,436	\$ 2,710,044	\$ 2,652,035
Maintenance and Operations	\$ 2,608,908	\$ 2,676,866	\$ 2,996,291	\$ 3,140,492
Capital Equipment	\$ 997	\$ 10,133	\$ 14,000	\$ 14,000
Total	\$ 5,654,425	\$ 5,645,436	\$ 5,720,335	\$ 5,806,527

Parks & Trees

Intended Outcome: maintenance of the City's urban forest, parks and landscaped areas

Core Functions:

- Parks, Trees and Median Maintenance

Staffing:

Positions	FY 2010-11	FY 2011-12
Park & Tree Superintendent	1.0	1.0
Park Maintenance Supervisor	2.0	2.0
Park Maintenance Crew Chief	2.0	3.0
Pest Control Technician	1.0	-
Irrigation Specialist	1.0	1.0
Groundswoker I	5.0	4.0
Groundswoker II	3.0	3.0
Urban Forester	1.0	1.0
Total Staffing	16.0	15.0

Total Parks & Trees Program Costs:

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Proposed</u>
Salaries and Benefits	\$ 1,759,935	\$ 1,737,239	\$ 1,461,597	\$ 1,560,944
Maintenance and Operations	\$ 4,768,489	\$ 4,753,343	\$ 4,200,475	\$ 4,856,577
Capital Equipment	\$ 1,901	\$ 1,787	\$ 1,293	\$ 3,000
Total	\$ 6,530,324	\$ 6,492,369	\$ 5,663,365	\$ 6,420,521

Refuse

Intended Outcome: providing residential refuse collection and recycling

Core Functions:

- Collection and Transfer of Residential Waste Stream
- Management of the Commercial Franchise Program and NC Residential Contract
- Compliance with State Diversion Mandate

Staffing:

Positions	FY 2010-11	FY 2011-12
Refuse Superintendent	1.0	1.0
Refuse Supervisor	1.0	1.0
Transfer Station Crew Chief	1.0	-
Refuse Worker I	8.0	8.0
Refuse Worker II	14.0	14.0
Total Staffing	25.0	24.0

Total Refuse Program Costs:

	<u>2008-09</u> <u>Actual</u>	<u>2009-10</u> <u>Actual</u>	<u>2010-11</u> <u>Estimated</u>	<u>2011-12</u> <u>Proposed</u>
Salaries and Benefits	\$ 2,526,438	\$ 2,572,914	\$ 2,486,044	\$ 2,433,639
Maintenance and Operations	\$ 3,070,026	\$ 3,014,551	\$ 3,341,376	\$ 3,293,851
Capital Equipment	\$ 214	\$ -	\$ -	\$ -
Total	\$ 5,596,678	\$ 5,587,465	\$ 5,827,420	\$ 5,727,490

Water

Intended Outcome: delivery of safe drinking water

Core Functions:

- Provide safe, cost-competitive drinking water for the community
- Maintain water transmission system
- Comply with State water requirements

Staffing:

Positions	FY 2010-11	FY 2011-12
General Services Director	-	0.5
Utilities Director	1.0	-
Deputy Utilities Director	1.0	-
Utilities General Manager	-	1.0
Water Production Supervisor	1.0	1.0
Water Production Operator	3.0	3.0
Water Quality Coordinator	1.0	1.0
Junior Civil Engineer	1.0	1.0
Engineering Technician	1.0	1.0
Utilities Supervisor	2.0	2.0
Utilities Crew Chief	5.0	5.0
Utilities Safety Officer	1.0	1.0
Utilities SCADA Coordinator	1.0	1.0
Utilities Equipment Specialist	1.0	-
Utilities Specialist	10.0	10.0
Senior Utilities Specialist	4.0	5.0
Electrician	0.75	2.0
Administrative Analyst	1.0	-
Administrative Manager	-	0.5
Administrative Assistant	1.0	1.0
Department Assistant	1.0	1.0
Management Assistant	-	1.0
Office Assistant Part-time	0.5	0.5
Water Conservation Coordinator	1.0	-
Total Staffing	38.25	38.50

Total Water Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 4,174,246	\$ 3,824,526	\$ 4,029,435	\$ 4,117,707
Maintenance and Operations	\$ 12,552,548	\$ 13,057,511	\$ 16,134,173	\$ 15,000,268
Capital Equipment	\$ 84,360	\$ 31,069	\$ 26,400	\$ 21,000
CIP	\$ 1,433,341	\$ 1,807,575	\$ 2,647,050	\$ 4,637,000
Total	\$ 18,244,495	\$ 18,720,682	\$ 22,837,057	\$ 23,775,975

Wastewater

Intended Outcome: safe collection and delivery of wastewater for treatment

Core Functions:

- Provide safe collection and delivery of wastewater for treatment

Staffing:

Positions	FY 2010-11	FY 2011-12
Utilities Operations Manager	1.0	1.0
Utilities Supervisor	1.0	1.0
Utilities Crew Chief	3.0	4.0
Utilities SCADA Technician	1.0	1.0
Utilities Video Technician	1.0	-
Utilities Specialist	5.0	5.0
Senior Utilities Specialist	2.0	2.0
Senior Equipment Mechanic	1.0	1.0
Electrician	0.25	-
Total Staffing	15.25	15.0

Total Wastewater Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 1,515,122	\$ 1,506,063	\$ 1,576,980	\$ 1,573,152
Maintenance and Operations	\$ 1,248,078	\$ 1,195,846	\$ 1,650,782	\$ 1,441,110
Capital Equipment	\$ 29,717	\$ 9,767	\$ 27,800	\$ 36,000
CIP	\$ 423,255	\$ 489,526	\$ 1,747,854	\$ 901,500
Total	\$ 3,216,172	\$ 3,201,202	\$ 5,003,416	\$ 3,951,762

Public Works

Mission Statement

Protecting and providing quality public improvements and services

Department Overview

The City of Newport Beach is committed to maintaining a high quality of life by providing essential infrastructure and public facilities. The Department of Public Works is responsible for managing a comprehensive and ambitious improvement program designed to meet the current and future needs of the community and to protect the City's physical and natural assets. Capital projects include improvements to the City's roads, intersections, bridges, sidewalks, storm drains, traffic signals, harbor water quality and environmental features, piers, water and sewer systems, street lighting, public buildings and parks.

Another core service area focuses on the use of engineering expertise to solve problems and to promote a safe and efficient parking and transportation system. Public Works adds quality and safety to our lives through the use of engineered controls and measures such as traffic signals, signage, bicycle and pedestrian facilities and pavement maintenance.

Public Works also oversees, manages and protects public property through encroachment permits, ensures the safety of utility company activities, private construction and special events in the public right-of-way and reviews plans for residential and commercial development as they relate to the public right-of-way.

Key Department Programs

- Capital Improvement Program Delivery
- Harbor Resources Management
- Storm Water Quality and Environmental Programs
- Transportation and Development Services
- Administration

Goals

- Oversee, develop and maintain updated infrastructure master plans that reflect the community's goal of quality public infrastructure that are sustainable into the future with emphasis on facilities, transportation, environmental/water quality and tidelands.
- Continuously improve our project delivery capability and use of project management tools to assure we are optimally organized, have the most efficient processes and have the right core competencies to deliver the highest quality improvements and services on time and on budget.
- Foster a team environment to collaborate with the community, City Council, external partners and agencies, and employees to achieve community goals with effectiveness and productivity.
- Demonstrate extraordinary care for our people, assuring that we recruit, develop and retain the best possible team members for Public Works.
- Provide effective internal and external communications through various means to share knowledge and ideas and to disseminate important information to all partners and stakeholders.

Workload Indicators	2008-2009 Actual	2009-2010 Actual	2010-2011 Estimated*	2011-2012 Projected*
CIP funds managed*	\$30,606,727	\$48,403,166	\$50,943,789	\$51,176,740
CIP projects completed within two months of baseline schedule-target 85%	90%	89%	92%	90%
CIP projects completed within awarded contract value, plus 10% contingency-target 95%	77%	75%	90%	90%
Plan checks completed within target date	92%	93%	95%	95%
Total full-time department personnel**	33	32	37	34

* Does not include assessment district project funds nor encumbered funds for work in progress; actual data reflects amounts expended.
 ** Public Works acquired staff from Water Quality and Harbor Resources as part of the FY11 restructuring process.

Total Public Works Department Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed*
Salaries and Benefits	\$ 4,644,788	\$ 4,679,009	\$ 4,690,514	\$ 5,147,874
Maintenance and Operations	\$ 948,435	\$ 955,972	\$ 1,163,211	\$ 2,232,943
Capital Equipment	\$ 51,279	\$ 11,101	\$ 24,235	\$ 22,435
Total	\$ 5,644,502	\$ 5,646,082	\$ 5,877,960	\$ 7,403,252

*Code & Water Quality Enforcement & Harbor Resources were transferred to Public Works in FY 2011-12.

Programs

Capital Improvement Program Delivery

Intended Outcome: Plan, manage and oversee design and construction of all Capital Improvements Program (CIP) projects.

Core Functions:

- Feasibility studies, planning, permitting, master plans
- Right-of-way acquisition and management
- Utilities coordination
- Engineering design
- Project management
- Construction management
- Public right-of-way inspection
- Community outreach and education
- Utility undergrounding district administration and coordination

Work Plan:

Council Goal: Community Enhancement

- Oversee project and construction management of scheduled Capital Improvement Program projects including Council priorities such as the Civic Center project, Sunset Ridge Park, Marina Park, Traffic Signal Modernization and pavement condition.
- Work with various stakeholders and other City departments to plan capital projects that address Neighborhood Revitalization efforts and Tidelands management.
- Complete the widening of Jamboree Road bridge over SR 73 and improvements to Jamboree Road at the intersection of MacArthur Boulevard between Bristol North and Fairchild Road.
- Continued efforts to update infrastructure master plans that reflect the community's goal of quality public infrastructure that are sustainable into the future with emphasis on facilities, transportation, environmental /water quality, and tidelands.

Staffing:

Positions	FY 2010-11	FY 2011-12
Deputy Public Works Director/City Engineer	1.0	1.0
Assistant City Engineer	2.0	2.0
Principal Civil Engineer	1.0	1.0
Senior Civil Engineer	3.0	3.0
Assoc 5% Civil Engineer	2.0	2.0
Associate Civil Engineer	1.0	1.0
Junior Civil Engineer	1.0	1.0
Construction Inspection Supervisor	1.0	1.0
Senior Engineering Technician	1.0	-
Senior Public Works Inspector	2.0	2.0
Public Works Inspector II	1.0	-
Contract Civil Engineer	0.26	0.26
Public Works Technical Aide	0.85	0.85
Total Staffing	17.11	15.11

Total Capital Improvement Program Delivery Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 2,555,259	\$ 2,523,878	\$ 2,528,616	\$ 2,481,649
Maintenance and Operations	\$ 291,659	\$ 277,094	\$ 399,085	\$ 368,621
Capital Equipment	\$ 35,179	\$ 9,429	\$ 13,300	\$ 4,200
Total	\$ 2,882,097	\$ 2,810,401	\$ 2,941,001	\$ 2,854,470

Harbor Resources

Intended Outcome: Protect and improve the facilities and resources of Newport Harbor, Upper Newport Bay, and ocean beaches for life, recreation and commerce.

Core Functions:

- Permit issuance and administration for private pier, marina and mooring operations
- Coordination and execution of Newport Harbor and Upper Bay dredging
- Habitat protection and water quality improvement
- Regulatory compliance
- Harbor Commission and Tidelands Management Committee support
- Balboa Yacht Basin property management
- Studies, planning, permitting and master plans
- Beach sand replenishment projects
- Interagency coordination and planning

Work Plan:

Council Goal: Fiscal Sustainability, Economic Sustainability, Environmental Sustainability and Effective Management

- Continue efforts to update the City's harbor fees and pursue other funding opportunities for harbor related projects and amenities.
- Carry out capital project priorities in the harbor area such as dredging the Lower Bay, Semeniuk Slough and Rhine Channel and bulkhead and seawall repairs.
- Create a plan for responding to future sea level changes that may affect public and private properties.
- Initiate a comprehensive management, governance, and investment strategy for all tidelands, including dredging, beach replenishment, long-term capital plan, sea level rise, oil and gas and water quality master plan.

Staffing:

Positions	FY 2010-11	FY 2011-12
Harbor Resources Manager	1.0	1.0
Harbor Resources Supervisor	1.0	1.0
Harbor Resources Technician II	1.0	1.0
Special Projects Consultant	0.17	-
Total Staffing	3.17	3.0

Programs

Total Harbor Resources Management Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ -	\$ -	\$ -	\$ 418,559
Maintenance and Operations	\$ -	\$ -	\$ -	\$ 970,926
Capital Equipment	\$ -	\$ -	\$ -	\$ 12,000
Total	\$ -	\$ -	\$ -	\$ 1,401,485

Water Quality and Environmental Programs

Intended Outcome: Ensure that the citizens and guests of Newport Beach enjoy the best environmental standard of living possible by planning and engineering protections and implementing clean water requirements for Newport Bay, the ocean shoreline and other sensitive areas.

Core Functions:

- Community education and promotion of best management practices
- Management and enforcement of local, state and federal laws, policies and regulations
- Environmental programming and capital planning including the pursuit of funding opportunities and collaborative public / private partnerships.
- Participate in regional planning and coordination with the community, other public agencies, regulatory agencies, and various environmental stakeholders

Work Plan:

Council Goal: Environmental Sustainability and Community Enhancements

- Implement the Buck Gully Stabilization and Flood Control project to reduce erosion, restore habitat, and improve water quality.
- Pursue Measure M2 funding to construct various catch basin filters and water quality filtration units citywide.
- Continued coordination with regional watershed stakeholders and the Regional Water Quality Board to develop a sustainable water quality strategy with achievable goals within the current economic environment.

Staffing:

Positions	FY 2010-11	FY 2011-12
Code & Water Quality Enforcement Division Manager	-	1.0
Water Conservation Coordinator	-	1.0
Total Staffing	0.00	2.00

Total Storm Water Quality and Environmental Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ -	\$ -	\$ -	\$ 274,440
Maintenance and Operations	\$ -	\$ -	\$ -	\$ 56,508
Capital Equipment	\$ -	\$ -	\$ -	\$ 2,000
Total	\$ -	\$ -	\$ -	\$ 332,948

Transportation and Development Services

Intended Outcome: Promote a safe, efficient and effective transportation system for various roadway uses and protect interests in the public right-of-way.

Core Functions:

- Traffic engineering, traffic studies, and transportation planning
- Traffic signal system operations, coordination and maintenance
- Neighborhood traffic calming
- Bicycle Safety committee staffing
- Special event support and coordination
- Plan check services
- Subdivision engineering
- Land use coordination
- Surveying and mapping
- Encroachment permits and temporary street closures

Work Plan:

Council Goal: Community Enhancements

- Continue processing the transportation planning and associated environmental processes for private developments including the Banning Ranch property.
- Continue implementing traffic management plan to improve traffic flows and reduce congestion with Phase 5 of the Traffic Signal Modernization Program addressing the Fashion Island /Newport Center area.
- Review, manage and implement traffic, bicycle and pedestrian safety and operation improvements.
- Explore acquisition of Coast Highway between Jamboree and the Santa Ana River and Newport Boulevard from Finley to West Channel Bridge; create a process for initiating a longer range planning process for Mariner's Mile Traffic, Pedestrian, and Parking Comprehensive Plan.
- Continue efforts to process the transportation planning and associated environmental processes for the Irvine Company's North Newport Center project.

Programs

Staffing:

Positions	FY 2010-11	FY 2011-12
City Traffic Engineer	1.0	1.0
Senior Civil Engineer	2.0	2.0
Assoc 5% Civil Engineer	2.0	2.0
Junior Civil Engineer	1.0	1.0
Senior Traffic Engineering Technician	1.0	1.0
Student Aide	1.0	1.0
Total Staffing	8.0	8.0

Total Transportation and Development Services Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 1,055,907	\$ 1,082,891	\$ 1,096,854	\$ 1,116,010
Maintenance and Operations	\$ 565,340	\$ 599,142	\$ 613,597	\$ 625,755
Capital Equipment	\$ 10,778	\$ 1,073	\$ 6,700	\$ -
Total	\$ 1,632,025	\$ 1,683,106	\$ 1,717,151	\$ 1,741,765

Administration

Intended Outcome: Lead and support department's organizational development and strategic planning and provide administrative support for Public Works divisions.

Core Functions:

- Strategic planning
- Team development and guidance
- Implementation of City Council and management directives and policies
- Budget development and administration
- CIP management
- Contracts and grants administration
- Customer service and communications
- Permit issuance
- Office management
- Records and GIS management

Work Plan:

Council Goal: Fiscal Sustainability, Effective Management

- Coordinate infrastructure management priorities, including updates to the Major Facilities Financing Plan.
- Facilitate restructure of department staffing and management to improve efficiencies and manage resource allocation of budget, staffing and contractual services.
- Provide quarterly reports to City Council on performance measurements and project priorities.
- Enhance customer service and communications through improved information access,

friendly service, community outreach, and prompt professional responses.

- Continue the movement to electronic records to improve efficiency and enable improved access to information for accountability and transparency.
- Guide citywide plans and preparations for move to new Civic Center

Staffing:

Positions	FY 2010-11	FY 2011-12
Public Works Director	1.0	1.0
PW Finance/Admin Manager	1.0	1.0
City Surveyor	1.0	1.0
Management Assistant	1.0	1.0
GIS Analyst	1.0	-
Engineering Technician	1.0	1.0
Public Works Specialist	3.0	2.0
Office Assistant Part-time	0.47	0.47
Total Staffing	9.47	7.47

Total Administration Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 1,033,621	\$ 1,072,241	\$ 1,065,044	\$ 857,216
Maintenance and Operations	\$ 91,436	\$ 79,736	\$ 137,689	\$ 211,133
Capital Equipment	\$ 5,322	\$ 599	\$ 4,235	\$ 4,235
Total	\$ 1,130,379	\$ 1,152,576	\$ 1,206,968	\$ 1,072,584

Library Services

Mission Statement

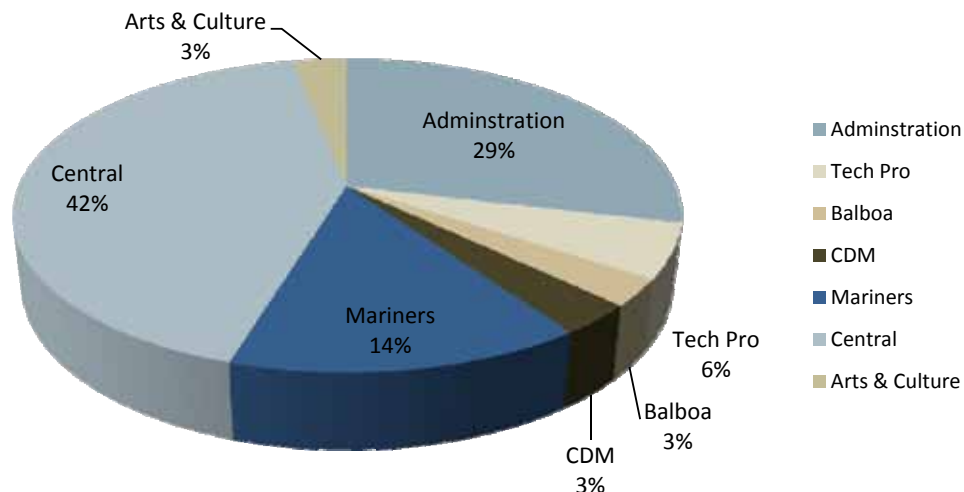
To serve as the cultural, educational and informational heart of the City.

Department Overview

The Library is a valuable resource which offers a diverse range of materials, information and special programs for every age group in our community. Over one million people each year come into the libraries and many more use the on-line resources from their home, office or school.

Key Department Programs

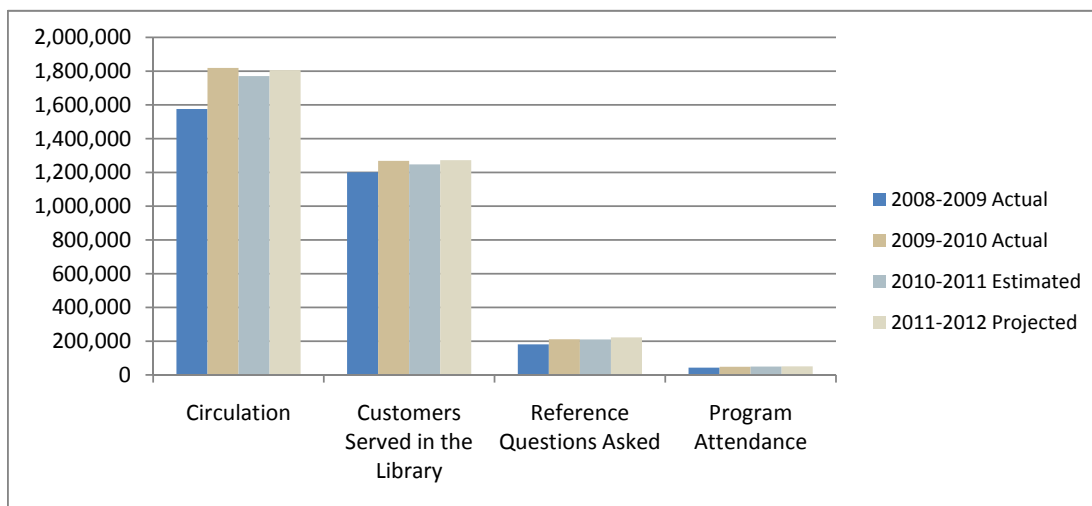
- Public Services
 - Central Library
 - Donna & John Crean Mariners Branch Library
 - Corona del Mar Branch Library
 - Balboa Branch Library
- Library Administration
- Technical Processing
- Literacy Services
- Arts and Cultural Services



Goals

- Provide current materials and information that meet the varying needs of the Community
- Deliver quality service to customers by providing accurate answers, quick responses and assistance
- Provide programs for audiences of all ages
- Provide literacy services to adults
- Support arts and cultural events and programming

Workload Indicators	2008-2009 Actual	2009-2010 Actual	2010-2011 Estimated	2011-2012 Projected
Circulation	1,575,518	1,819,122	1,770,683	1,806,097
Customers Served in the Library	1,200,664	1,268,585	1,247,690	1,272,644
Reference Questions Asked	181,315	211,742	210,302	222,708
Program Attendance	43,419	48,606	49,940	50,938



Total Library Department Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 4,662,245	\$ 4,871,732	\$ 4,899,846	\$ 4,623,310
Maintenance and Operations	\$ 1,501,295	\$ 1,386,548	\$ 1,585,762	\$ 2,264,280
Capital Equipment	\$ 133,974	\$ 93,607	\$ 74,281	\$ 2,000
Subtotal	\$ 6,297,514	\$ 6,351,887	\$ 6,559,889	\$ 6,889,590
Expenditures funded through donations*	\$ 224,204	\$ 176,425	\$ 583,449	\$ -
Total	\$ 6,521,718	\$ 6,528,312	\$ 7,143,338	\$ 6,889,590

*Community donations are used to enhance Library programs and services and are not considered when establishing the City's operating budget.

Programs

Public Service

Intended Outcome: To provide a range a materials, information and programs to meet the needs of customers of all ages.

Core Functions:

- Serve customers at all locations
- Circulate books, magazines, movies and audio recordings to customers of all ages
- Answer questions and assist customers in person, by phone and via email
- Provide technology training and computer assistance to customers
- Plan and host programs for children, teens and adults throughout the year
- Create and update the Library's website to keep it user-friendly and informative

Staffing:

Positions	FY 2010-11	FY 2011-12
Librarian II	1.0	-
Library Assistant Part-time	0.75	0.75
Library Clerk I Part-time	1.38	1.33
Library Page Part-time	0.78	0.78
Library Assistant	1.0	1.0
Library Clerk I	1.0	1.0
Librarian I Part-time	0.48	-
Library Page Part-time	0.48	0.48
Librarian I	2.0	2.0
Librarian II	1.0	1.0
Library Assistant	2.0	2.0
Library Clerk I	1.0	1.0
Library Clerk II	1.0	1.0
Library Clerk I Part-time	2.71	2.61
Library Page Part-time	2.2	2.2
Librarian I	4.0	4.0
Librarian II	5.0	5.0
Librarian III	1.0	1.0
Library Assistant	3.0	3.0
Library Clerk I	2.0	2.0
Library Clerk II	2.0	2.0
Senior Library Clerk	1.0	1.0
Librarian I Part-time	1.93	-
Library Assistant Part-time	1.62	1.62
Library Clerk I Part-time	4.76	4.71
Library Page Part-time	6.0	4.44
Total Staffing	51.09	45.92

Total Public Service Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 3,194,815	\$ 3,321,325	\$ 3,349,712	\$ 3,218,668
Maintenance and Operations	\$ 473,468	\$ 452,414	\$ 489,927	\$ 509,263
Capital Equipment	\$ 16,991	\$ -	\$ -	\$ -
Total	\$ 3,685,274	\$ 3,773,739	\$ 3,839,639	\$ 3,727,931

Library Administration

Intended Outcome: To manage the successful operations of the Library system allowing the public service staff to focus on meeting the day-to-day needs of customers.

Core Functions:

- Provide support to the public, the Library Board of Trustees, the Arts Commission, Friends of the Library, and the Library Foundation.
- Provide support in the areas of personnel, recordkeeping and marketing.
- Oversee the maintenance of the Library facilities.
- Monitor the budget and financial planning and expenditures.

Staffing:

Positions	FY 2010-11	FY 2011-12
Library Services Director	1.0	1.0
Library Services Manager	1.0	1.0
Librarian III	2.0	2.0
Facilities Maintenance Worker II	1.0	1.0
Administrative Assistant	1.0	1.0
Office Assistant	1.0	1.0
Librarian I Part-time	1.12	-
Library Clerk I Part-time	0.72	-
Marketing Specialist Part-time	0.65	0.65
Department Assistant Part-time	0.5	0.45
Total Staffing	9.99	8.10

Total Administration Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 908,832	\$ 935,286	\$ 926,700	\$ 949,766
Maintenance and Operations	\$ 793,948	\$ 691,968	\$ 814,644	\$ 1,663,819
Capital Equipment	\$ 14,337	\$ 26,786	\$ 2,181	\$ 2,000
Total	\$ 1,717,117	\$ 1,654,040	\$ 1,743,524	\$ 2,615,585

Programs

Technical Processing

Intended Outcome: To ensure that the libraries have new materials to fill the needs of the customers.

Core Functions:

- Order, receive and process materials
- Process the payments for materials
- Mend and maintain collections

Staffing:

Positions	FY 2010-11	FY 2011-12
Senior Library Clerk	1.0	1.0
Library Clerk I	1.0	1.0
Library Clerk II	2.0	2.0
Total Staffing	4.00	4.00

Total Technical Processing Program Costs:

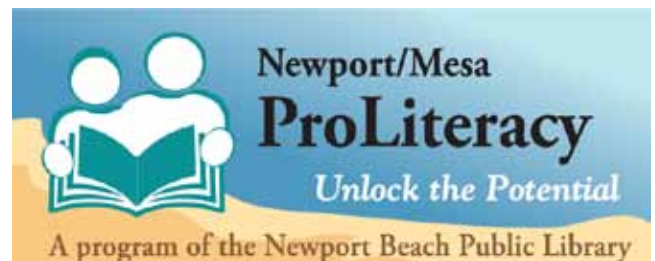
	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 249,878	\$ 301,638	\$ 314,742	\$ 322,557
Maintenance and Operations	\$ 12,557	\$ 15,779	\$ 18,262	\$ 19,267
Capital Equipment	\$ -	\$ -	\$ -	\$ -
Total	\$ 262,435	\$ 317,417	\$ 333,004	\$ 341,824

Literacy Service

Intended Outcome: To provide tutoring for adult literacy learners.

Core Functions:

- Assess the needs of prospective learners
- Recruit and train literacy tutors
- Support small group classes and book groups
- Assist in community awareness and fundraising efforts
- Support the Literacy Board Members



Staffing:

Positions	FY 2010-11	FY 2011-12
Literacy Coordinator Part-time	0.4	0.4
Total Staffing	0.4	0.4

Total Literacy Services Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 76,667	\$ 75,627	\$ 71,157	\$ 28,843
Maintenance and Operations	\$ 10,531	\$ 9,312	\$ 8,389	\$ 276
Capital Equipment	\$ -	\$ -	\$ -	\$ -
Total	\$ 87,198	\$ 84,939	\$ 79,546	\$ 29,119

Arts & Cultural Services

Intended Outcome: To support the City Arts Commission

Core Functions:

- Arrange art exhibits at City Hall, the Central Library and at Juried Art Shows
- Plan and execute programs and cultural arts events
- Administer departmental grants

Staffing:

Positions	FY 2010-11	FY 2011-12
Cultural Arts Coordinator	1.0	1.0
Total Staffing	1.0	1.0

Total Arts & Cultural Services Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 99,029	\$ 101,613	\$ 100,735	\$ 103,476
Maintenance and Operations	\$ 95,038	\$ 74,925	\$ 97,729	\$ 71,655
Capital Equipment	\$ -	\$ -	\$ -	\$ -
Total	\$ 194,067	\$ 176,537	\$ 198,464	\$ 175,131

Recreation & Senior Services

Mission Statement

To enhance the quality of life by providing diverse opportunities in safe and well maintained facilities, open spaces and parks. We pledge to respond to community needs by creating quality educational, environmental, recreational, cultural and social programs for people of all ages. Our vision is to:

Provide well rounded recreational and social programs for the Newport Beach community that enriches the lives of our residents ranging from infants to the active retiree. As well as protect and preserve natural resources for future generations while fostering stewardship of the environment.

Department Overview

The Department consists of three divisions: Administration, Recreation and Senior Services. Under the guidance of the Department Director, Recreation and Senior Services are responsible for the creation, coordination and implementation of recreational and social opportunities that serve a population ranging from infants to those in their advanced years. In addition, the Department oversees the use of 73 parks and facilities, as well as a role at Back Bay Science Center and a number of natural spaces and sensitive marine habitats throughout the City. The backbone of the Department's success is the numerous part-time staff and independent contractors out in the field serving the community as well as numerous volunteers who join us on a daily basis to fulfill our mission. Their assistance to the full-time staff creates the solid foundation of a talented, skilled and service oriented team.



Department Goals

- Participate in and support efforts for the design, development and programming of Sunset Ridge Park, Marina Park, West Newport Center, Banning Ranch Community Park and City Hall Park.
- Seek partnerships and opportunities to enhance services while minimizing impacts to the general fund.
- Explore and implement upgraded technology to improve operational efficiency, communication and enhance customer service.

- Implement the Marine Life Protection Act.
- Complete the Traveling Tidepool outreach program to educate the community about the Robert E. Badham Marine Protected Area and Newport Coast ASBS.
- Increase public access and programming at the Back Bay Science Center.
- Develop a successful marketing plan to insure optimum usage of the OASIS Fitness Center.
- Promote the OASIS facility as a premier location for rentals.
- Broaden our outreach to the senior community by offering resource expos.
- Evaluate customer satisfaction of programs and the OASIS facility after being open for one year.

Key Department Programs

- Administration
- Recreation
- Senior Services



Workload Indicators	2008-2009 Actual	2009-2010 Actual	2010-2011 Estimated	2011-2012 Projected
<i>Recreation Services</i>				
Special Event Permits	248	207	225	225
Facility Rentals	1,444	1,393	1,500	1,500
Program Attendance	329,501	400,000	400,000	400,000
Community Youth Sports Programs	318,000	350,000	350,000	350,000
<i>Senior Services</i>				
Programs/Classes	72,672	75,085	80,000	111,000
Human Services	23,225	26,712	27,000	37,000
Transportation Services	16,035	15,458	16,000	17,000

Total Recreation & Senior Services Department Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated*	2011-12 Proposed^
Salaries and Benefits	\$ 3,555,036	\$ 3,755,790	\$ 4,216,713	\$ 4,582,729
Maintenance and Operations	\$ 3,103,217	\$ 2,749,026	\$ 3,505,759	\$ 3,837,158
Capital Equipment	\$ 101,992	\$ 50,515	\$ 32,576	\$ 26,450
Total	\$ 6,760,245	\$ 6,555,331	\$ 7,755,048	\$ 8,446,337

*OASIS Fitness Center was added to Recreation and Senior Services in FY 2010-11.

^Marine Protection and Education was added to Recreation & Senior Services in FY 2011-12.

Programs

Recreation Division

Core Functions:

- Provide staffing support to the Parks, Beaches and Recreation Commission and City Council on a variety of Recreational and Community use issues
- Allocate and patrol use of 73 Parks and Facilities citywide
- Provide a wide variety of high quality programming for youth and adults
- Protect and preserve natural marine resources with an emphasis on public education programs
- Maintenance and operation of 10 community facilities
- Maintenance of Citywide sport courts and tot lots
- Administer the Citywide Special Event permitting process
- Development of future community facilities

The Recreation Division offers a wide variety of programs for tots, youth, and adults. These programs include year-round sports leagues, seasonal swim lessons, and many lifelong learning and fitness classes. Over 150 contractors provide class instruction offered through the Newport Navigator quarterly brochure. In addition, 40 contractors work as officials, referees and scorekeepers for City adult sports leagues. Trained staff works in the swim program, preschool and after-school programs, youth recreational sports programs, and summer day camps.

City operated youth sports programs attract over 1000 children annually. The Division also works closely with Youth Sport Organization Members such as youth soccer and baseball to serve over 6000 youth annually.

The Division sponsored annual special events include a Surf Contest, CdM Scenic 5K, and the Mariners and Balboa Peninsula Independence Day Parades and Picnics. Picnic areas, fields, and meeting rooms are available for reservation with staff processing over 1000 requests each year. There are over 30 playgrounds throughout the City for children ages 2-12 years of age. In the coming year this Division will continue to maintain the park site playground equipment, in addition to play surfaces, backstops and courts. The Division is also responsible for the maintenance of ten community facilities and coordinates Special Event Permits by processing over 200 permits per year for large and small scale events. The Carroll Beek Community Center is one example of the Department's facilities which was recently renovated with input from the Balboa Island Improvement Association. The facility re-opened in the spring of 2011 and will serve the community well for years to come with classes for participants of all ages and a facility to hold community meetings and events.

The newly acquired Marine Protection and Education program supplements the City's commitment to providing its residents with pristine natural areas that will be appreciated and coveted for generations to come. With a staff of one full-time supervisor, 6 part-time employees and over 30 volunteers, this group works to educate residents and visitors to Newport Beach how to best explore our amazing natural areas. In order to best do this, the Marine Protection and Education office works in collaboration with the California Department of Fish and Game, Newport Bay Conservancy, U.S. Fish and Wildlife, Orange County Coast Keeper, the County of Orange, Newport Harbor Nautical Museum, Orange County Marine Protected Areas Council, as well as a number of local colleges and universities.

The Recreation Division also works closely with other community partners to provide facilities and programming to the community. Some of our partners include: The Boys & Girls Club, Irvine Ranch Conservancy, Lawn Bowling Association, Newport Aquatic Center, Newport Theatre Arts Center, Girl Scouts, CdM Aquatics Girls & Boys Water Polo Club, and the Newport-Mesa Unified School District.

Recreation Administration

Staffing:

Positions	FY 2010-11	FY 2011-12
Recreation & Senior Services Director	1.0	1.0
Budget Intern	-	0.5
Marketing Specialist	1.0	1.0
Administrative Assistant	1.0	1.0
Senior Fiscal Clerk Part-time	0.5	0.5
Total Staffing	3.50	4.00

Total Administration Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed
Salaries and Benefits	\$ 395,352	\$ 421,256	\$ 459,886	\$ 513,540
Maintenance and Operations	\$ 191,957	\$ 160,288	\$ 183,211	\$ 240,588
Capital Equipment	\$ -	\$ 4,500	\$ -	\$ -
Total	\$ 587,309	\$ 586,044	\$ 643,097	\$ 754,128

Recreation

Staffing:

Positions	FY 2010-11	FY 2011-12
Recreation Superintendent	1.0	1.0
Recreation Manager	2.0	2.0
Recreation Supervisor	5.0	5.0
Senior Recreation Leader I	4.74	4.74
Recreation Leader	8.96	8.13
Recreation Clerk	0.01	0.01
Assistant Recreation Coordinator Part-time	3.52	3.52
Pool Lifeguard	0.25	0.01
Senior Pool Lifeguard	0.96	0.96
Pool Swim Instructor	3.35	3.59
Pool Swim Instructor Trainee	0.39	0.39
Marine Protection & Education Supervisor	-	1.0
Tidepool Ranger Part-time	-	1.5
Park Patrol Officer	1.75	1.75
Lead Park Patrol Officer	1.0	1.0
Groundswoker II	2.0	2.0
Facilities Maintenance Worker II	2.0	2.0
Department Assistant	2.0	2.0
Office Assistant Part-time	3.2	3.2
Total Staffing	42.13	43.80

Programs

Recreation Division (continued)

Total Recreation Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated	2011-12 Proposed*
Salaries and Benefits	\$ 2,296,153	\$ 2,419,419	\$ 2,581,285	\$ 2,749,665
Maintenance and Operations	\$ 2,671,831	\$ 2,399,359	\$ 2,763,234	\$ 2,874,027
Capital Equipment	\$ 99,864	\$ 45,276	\$ 19,816	\$ 17,950
Total	\$ 5,067,848	\$ 4,864,054	\$ 5,364,335	\$ 5,641,642

*Tidepools was added to Recreation and Senior Services in FY 2011-12.

Senior Services Division

Core Functions:

- Maintenance and operation of OASIS Senior Center.
- Provide a wide variety of recreational, social and educational services.
- Operate a full service fitness center.
- Administer facility rentals for private and community functions.
- Continue to develop innovative senior programs which meet the changing needs of this population.
- Work in conjunction with the Friends of OASIS non profit organization and community volunteers to augment City services.
- Maintain relationships with a multitude of community organizations to enhance programming and services.
- Provide transportation services to and from the Center and medical appointments.

The Senior Services Division is responsible for the operation of the OASIS Senior Center as well as numerous human service activities that reach out to the senior population. The goal of this Division is to provide older adults with activities and services that enrich their lives, prevent isolation, and provide them with a purpose in life.

The Division also provides a variety of services which enhance the lives of seniors creating positive and successful aging experiences. It accomplishes this by providing programs and activities which address older adult's evolving needs. Staff stays current on programming activities that are most helpful to the senior population by assessing needs and welcoming senior participation in program ideas. The Senior Services Division has been successful at meeting the challenge of the ever-changing needs of older adults and has developed activities that are intellectually stimulating and physically active.

The Division is staffed with 11 full-time members which include professionals in the fields of Gerontology, Recreation, Transportation, Health and Fitness and Administration. In addition, the division includes one full-time building maintenance worker, one part-time recreation professional, and seven part-time staff who work in the Fitness Center, assisting with events and rentals, and work in the facility during evening and weekend activities.

After re-opening the OASIS Center this past year, the participation in classes and activities has increased by 33%. Knowing that the interest in the Center would be high, the Department added 38 contract classes, 10 volunteer led classes and additional special lectures in order to accommodate the varying needs of the Newport Beach community. The Friends of OASIS membership has grown from 3000 to 6500 persons. Additionally, the staff and Friends have trained approximately 130 new volunteers to perform various duties around the OASIS from meals on wheels drivers to managing the travel office.

The OASIS staff maintains relationships with many community organizations in order to enhance and expand the services provided to the community, which include: Age Well, OC Department of Health, University of California at Irvine, Hoag Memorial Hospital Presbyterian, Braille Institute, Health Insurance Counseling and Advocacy Program, and the Orange County Transit Authority.



OASIS Breezeway



OASIS Patio Area



OASIS Library

Staffing:

Positions	FY 2010-11	FY 2011-12
Senior Services Manager	1.0	1.0
Recreation Supervisor	3.0	3.0
Facilities Maintenance Worker II	1.0	1.0
Department Assistant	1.0	1.0
Recreation Leader	0.13	-
Recreation Leader OASIS	2.43	2.91
Assistant Recreation Coordinator Part-time	0.75	0.75
Senior Recreation Leader I	1.18	1.84
Office Assistant Part-time	0.75	0.75
Recreation Coordinator	1.0	1.0
Senior Services Van Driver	4.0	4.0
Senior Services Van Driver Part-time	0.50	0.50
Total Staffing	16.74	17.75

Total Senior Services Program Costs:

	2008-09 Actual	2009-10 Actual	2010-11 Estimated*	2011-12 Proposed
Salaries and Benefits	\$ 863,532	\$ 915,115	\$ 1,175,541	\$ 1,319,524
Maintenance and Operations	\$ 239,428	\$ 189,378	\$ 559,314	\$ 722,543
Capital Equipment	\$ 2,128	\$ 739	\$ 12,760	\$ 8,500
Total	\$ 1,105,088	\$ 1,105,232	\$ 1,747,616	\$ 2,050,567

*OASIS Fitness Center was added to Recreation and Senior Services in FY 2010-11.

OTHER BUDGETS



Description of Internal Service Funds

The City continues to provide for the financing of certain functions through the use of Internal Service Funds (ISF). The purpose of these funds is to facilitate the management of some types of expenditures on a centralized, as opposed to decentralized (by department) basis, without losing the visibility of each Department's share of the overall cost. Each Department has been required to budget for the cost of these functions at a pre-determined rate, as opposed to attempting to project actual costs at the Department level, which would be required if there was no ISF mechanism. Funds are then collected from each Department at the pre-determined rate by the Internal Service Fund during the course of the year. All actual expenditures for the function in question (for the City as a whole) are then made from the Internal Service Fund. The City has established five Internal Service Funds – Insurance Reserve Fund, Retiree Medical Insurance Fund, Compensated Absences Fund, Equipment Maintenance and Replacement Fund, and, beginning in FY 2011-12, an Information Technology Fund.

Insurance Reserve Fund. The Insurance Reserve Fund is used to pay all Workers' Compensation and General Liability expenses of the City. This includes insurance premiums, consultant fees, medical expenses, contract attorney costs, payments for judgments and settlements, and all other expenses connected with this function. The amounts paid into this Fund by the individual Departments vary. Each Department's budget base for Liability expenses was established by examining a ten-year history of claims and determining each Department's appropriate share, based on the nature of the claims themselves. That share was then used to establish each Department's percentage of the funding being set aside in the Insurance Reserve Fund for anticipated Liability expenses this year, and to address at least part of any reserve deficiencies. This year's contribution by departments, which constitutes revenue to the ISF, is projected to be \$3,140,527. This should constitute sufficient resources to fund short term expenditures and accumulate resources to pay long-term claims.

Each Department's share of the City's anticipated Workers' Compensation expenses was determined by an analysis of claims history by labor class in Newport Beach as compared to the same information for the State as a whole. Based on this data, appropriate rates were established for each labor class in the City. These rates were then used to determine the budget base needed in each Department to accumulate the total anticipated Insurance Reserve Fund requirement to pay all Workers' Compensation claims and related expenses for this budget year (approximately \$2,535,325). Similar to the situation with Liability, there is an accumulated deficit for Workers' Compensation. Therefore \$2,771,158, or a projected excess of \$235,833 is being collected to cover the deficit.

Retiree Medical Insurance Fund. In January 2006, the City has implemented a new defined contribution Retiree Medical Insurance Fund instead of the prior defined benefit program which will ultimately reduce the City's long-term liability for this program. The transition to the new program will take an estimated twenty years or more to fully implement, but our operating expenses will eventually be capped as we will only need to fund contributions for current employees and the City's unfunded liability will be zero. The contribution amount is based on a formula currently provided for in the Memorandum of Understanding between the City and the employees. This year, the City's cost for contributions for eligible full-time employees is projected to be \$1,175,925.

Compensated Absences Fund. Departmental payments into the Compensated Absences Internal Service Fund are based on a percentage of salary. That percentage is set at a level which will accumulate a sufficient monetary base within the fund to accommodate current year expenses. This year's contribution level is 3.5% of salary resulting in a budgeted amount of \$2,250,309. Any amounts collected in excess of the annual expense, reduce the long-term unfunded liability in this fund.

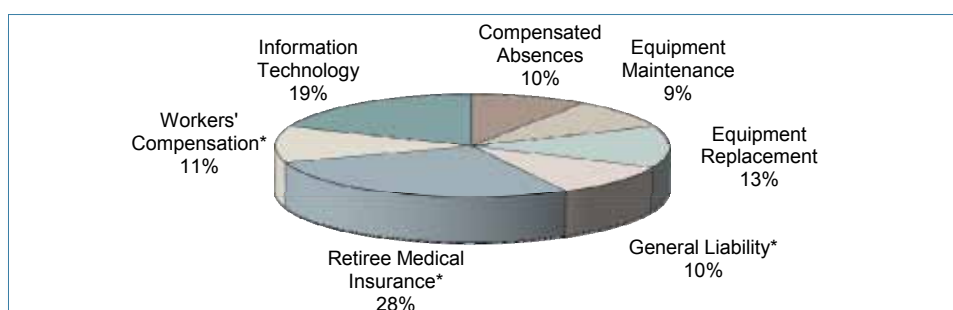
Equipment Maintenance and Replacement Fund. The Equipment Maintenance and Replacement Fund is used to provide funding for the maintenance of almost all of the City's fleet of Rolling Equipment, and to accumulate funds for the eventual replacement of that equipment. Based on the City's maintenance experience, anticipated equipment life span, and projected replacement costs, rates were established for each class and type of equipment. These rates function much like vehicle rental rates from the perspective of the using departments.

Funds for replacement and for maintenance remain segregated. Maintenance funds are used to fully fund the Municipal Operations Equipment Maintenance Division, including the Auto Parts Warehouse, and certain other Municipal Operations Department overhead expenses which are directly attributable to rolling equipment maintenance, but are contained in the budgets of other divisions. Each department budget unit's share of this cost, based on the equipment it has in service, is contained on line 8022 of the respective M&O budget sheets. The Police Department has their own equipment replacement and maintenance program including a Police Fleet Maintenance Division.

Recommendations for rolling stock replacement are made by each department to the City Manager through the Municipal Operations Director. The City Manager then includes his final recommendation for Equipment Replacement action to the City Council as part of the annual budget submission. Money accumulated in the Equipment Replacement portion of this Fund can only be used for equipment replacement unless specifically reprogrammed by the City Manager. Each department budget unit's "contributions" to this fund, based on the equipment it has in service, can be found on line 8024 of the respective M&O budget sheets.

Information Technology Fund. The City is redefining the IT services department. All IT staff and budgets will be centralized within the City Manager's Office in order to allow for a Citywide vision and shared implementation process that serves all City departments in a coordinated manner. As part of this new structure all IT budgets will be consolidated within the centralized IT department using an Internal Service Fund model. The Departmental payments into the Information Technology Internal Service Fund are based on the number of computers and required technological support. That contribution amount is set at a level which will accumulate a sufficient monetary base within the fund to accommodate current year expenses. This year's contribution level is \$5,816,581. Any amounts collected in excess of the annual expense, reduce the long-term unfunded liability in this fund. In addition, a \$1 million dollar transfer from the General Fund is intended to begin to set aside funds for the replacement of major system components such as a much needed Enterprise Resource Planning (ERP) system to automate business processes, a new CAD/RMS system, and a new permitting system.

For Fiscal Year 2011-2012, City expenditures from Internal Service Funds are projected as follows:



*Includes legal services, insurance premiums, contract administration, claims & settlements, and payments to providers of medical service.

Debt Service & Other Activities

Most of the City budget is dedicated to a one-year operating plan for each department. However, certain budgetary components do not fit within this definition.

Capital Improvement Projects (CIP) and debt service expenditures benefit more than one operating period. Since CIPs may have significant useful lives, expenditures are deemed to benefit both the current and future operating periods while debt service expenditures are deemed to benefit current, future, and past operating periods. An entire section of the budget document is dedicated to CIP expenditures; however Debt Service expenditures can be adequately covered within this section.

Some proposed expenditures in the budget only benefit the current operating period but do not readily fit within the operating plan of any one department and/or its funding source cannot be relied upon to fund routine department operations. For lack of a more descriptive term, we often refer to non-departmental expenditures of this nature as other activities.

Debt Service Expenditures

Since the City does not issue debt instruments to finance operating activities, Debt Service Expenditures are the result of capital financing ventures. There are two principal reasons why debt instruments are issued. The first circumstance is when the cash flow for the construction or purchase of a long-term asset would cause a significant strain on the City's cash flow and the asset to be financed will benefit many service periods. In no instance would the City select the duration of a given debt instrument to extend beyond the expected life of the asset financed. The second scenario arises when an asset to be purchased may not cause a significant cash flow strain but it would be economically advantageous to finance the asset rather than to purchase it outright (e.g. occasionally the City can borrow money at a lower rate than its investment portfolio is earning).

Civic Center COP Series A

In Fiscal Year 2010-2011, the City issued \$20,085,000 of Series 2010A (Tax Exempt) and \$106,575,000 of Series 2010B (Federally Taxable Direct Pay Build America Bonds) Certificates of Participation. The 2010A Certificates were issued to prepay the \$3,990,000 principal outstanding on the 1998 Library Certificates of Participation. The refunding was undertaken to reduce total debt service payments over the next nine years by \$1,084,556 and resulted in a net present value savings of \$429,500. Accordingly, the 1998 Library Certificates have been defeased pursuant to the defeasance provisions of the 1998 Trust Agreement. The remaining proceeds from the Series 2010A Certificates are to be used to finance the acquisition, improvement and equipping of the Civic Center Project. The Series 2010B Certificates were issued to provide additional financing for the Civic Center Project. The proceeds of the Certificates will also be applied to pay certain costs of issuance incurred in connection with the Certificates.

The lease payments made by the City are held by a trustee who makes semi-annual payments on the Certificates of Participation. The lease payments began January 1, 2011, and are in amounts sufficient to cover the payment of principal and interest of the Certificates. Interest on the Certificates is payable semiannually on January 1 and July 1 of each year. The City has designated the Series 2010B Certificates as "Build America Bonds" (BABs) under the provisions of the American Recovery and Reinvestment

Act of 2009. Thus, the City expects to receive periodic payments from the United States Treasury equal to 35% of the interest payable on the 2010B Certificates. Principal payments are payable annually on July 1 of each year. Future principal payments for the Series 2010A, which commence July 1, 2011 and continue through July 1, 2019, range from \$410,000 to \$3,185,000. The future principal payments for the Series 2010B Certificates, which commence July 1, 2018 and are payable through July 1, 2040, range from \$2,900,000 to \$7,245,000. The Series A Certificates outstanding at June 30, 2011, amounted to \$20,085,000 and the Series B Certificates outstanding at June 30, 2011, amounted to \$106,575,000.

Boating and Waterways Loan

The City also has a loan from the California Department of Boating and Waterways for the purchase and rehabilitation of the Balboa Yacht Basin. The original loan in 1987 was for \$3,300,000. This loan is payable in thirty annual installments of \$237,062 at a 4.50 percent rate of interest, which began on August 1, 1987. The outstanding balance at June 30, 2011, amounted to \$737,854. The loan is funded entirely by Tide and Submerged Lands Fund revenue sources. The City plans to pay off the entire balance of this loan in August 2011.

Office Equipment Leases

The City occasionally enters into lease-purchase agreements to finance the acquisition of copiers, computers, telecommunications or other office equipment and upgrades. The terms of the leases normally range from three to five years and are typically payable monthly. Currently there are no outstanding leases of this nature. Debt of this nature is serviced by whichever fund derives the benefit of the equipment. In most circumstances the General Fund enjoys the benefit of office equipment purchases of this type and would therefore service this debt.

Rolling Stock Leases

Most City vehicle purchases do present a cash flow challenge and are therefore purchased outright except when financially advantageous conditions exist. However, the City does own and operate some rolling stock including fire engines, ladder trucks, vactor trucks and other heavy equipment that can be several hundred thousand dollars per vehicle. These items are periodically financed through lease-purchase agreements, but at this time we have no lease-purchase agreements.

Newport Coast Special Assessment District Relief

Because the Newport Coast area was not incorporated into the City limits when much of the public improvements that serve this area were constructed, the improvements were financed by private property special assessments. Had the Newport Coast area been incorporated within the City limits at the time the improvements were constructed, the City would have likely participated in funding much of the public improvements. Before this area was officially annexed into the City limits, the City entered into a pre-annexation agreement with the Newport Coast Committee of 2000 where the City agreed to reimburse residents and thereby reduce the cost of certain private property special assessments. As a part of the pre-annexation agreement, the Irvine Ranch Water District (IRWD) transferred \$25 million to the City in exchange for the right to continue to provide water utility service to this area. With this \$25 million from IRWD, the City dedicated \$7 million toward the construction of

the Newport Coast Community Center which opened in 2007 and will reduce the special assessment levies by \$1.2 million a year for 15 years. At June 30, 2011, \$7,200,000 was outstanding.

Community Development Block Grant (CDBG) Loan

The CDBG program is a federal revenue source that is restricted to programs and projects that benefit low and moderate income areas. In August of 2002, the City was granted a \$2.4 million loan that is secured and will be repaid by future block grant allocations to partially finance the Balboa Village improvements. Commonly known as a "Section 108 Loan," this loan will be repaid over 20 years in \$215,000 installments. As of June 30, 2011, the outstanding balance of this loan was \$1,788,000.

Debt Service Estimates
2011-12

	Original Issuance	Balance 07/01/2011	Additions	Deletions	Balance 06/30/2012	2012		Principal Paid to Date	Year of Final Payment
						Total Payments	Interest		
Balboa Parking Lot Loan (608 E. Balboa)	1,500,000	750,000	-	(750,000)	-	780,000	30,000	1,500,000	2012
Balboa Marina Loan	3,457,930	737,854	-	(737,854)	-	771,057	33,203	3,457,930	2016
Pre-Annexation Agreement	18,000,000	7,200,000	-	(1,200,000)	6,000,000	1,200,000	-	12,000,000	2017
2010 Civic Center COP Series A	20,085,000	20,085,000	-	(2,690,000)	17,395,000	3,340,550	650,550	2,690,000	2041
2010 Civic Center COP Series B*	106,575,000	106,575,000	-	-	106,575,000	7,243,417	7,243,417	-	2041
Section 108 Loan	2,400,000	1,788,000	-	(102,000)	1,686,000	201,653	99,653	714,000	2024
Total Debt Service	152,017,930	137,135,854	-	(5,479,854)	131,656,000	13,536,677	8,056,823	20,361,930	

*Expected BAB subsidy for FY 20011-12 of \$2,535,196

Other Activities

Asset Forfeiture Funds

Funds derived from the City's participatory share of State and Federal assets seizures are accounted for separately from other funds due to special restrictions placed on the use of these proceeds. These funds can only be used to supplement but not subsidize law enforcement activities. Therefore, this funding source is not used to fund regular departmental operations.

Air Quality Management District Funds (AQMD)

State Assembly Bill 2766 provides cities with a modest annual budget to encourage the reduction of air emissions. The City uses its AQMD funds to support the employee rideshare program and to subsidize the cost of the electric vehicles used to supply City services.

Ackerman Donation

The Ackerman Fund is a permanent endowment for which the interest earned is to be used to purchase high tech library equipment and to fund a City administered scholarship program. The fund was created when the Carl Ackerman Family Trust donated some commercial property to the City in

1992. At that time the property was subject to a 15-year lease. The lease proceeds were split with the City receiving 40 percent and the University of California, Irvine Foundation receiving 60 percent. Included in the lease was an option for the lessee to purchase the property. In August 2003, the lessee exercised the option to purchase in the amount of \$1,940,000. The sale proceeds were subject to the same City/Foundation split and the City's lump sum payment was the basis for the permanent endowment.

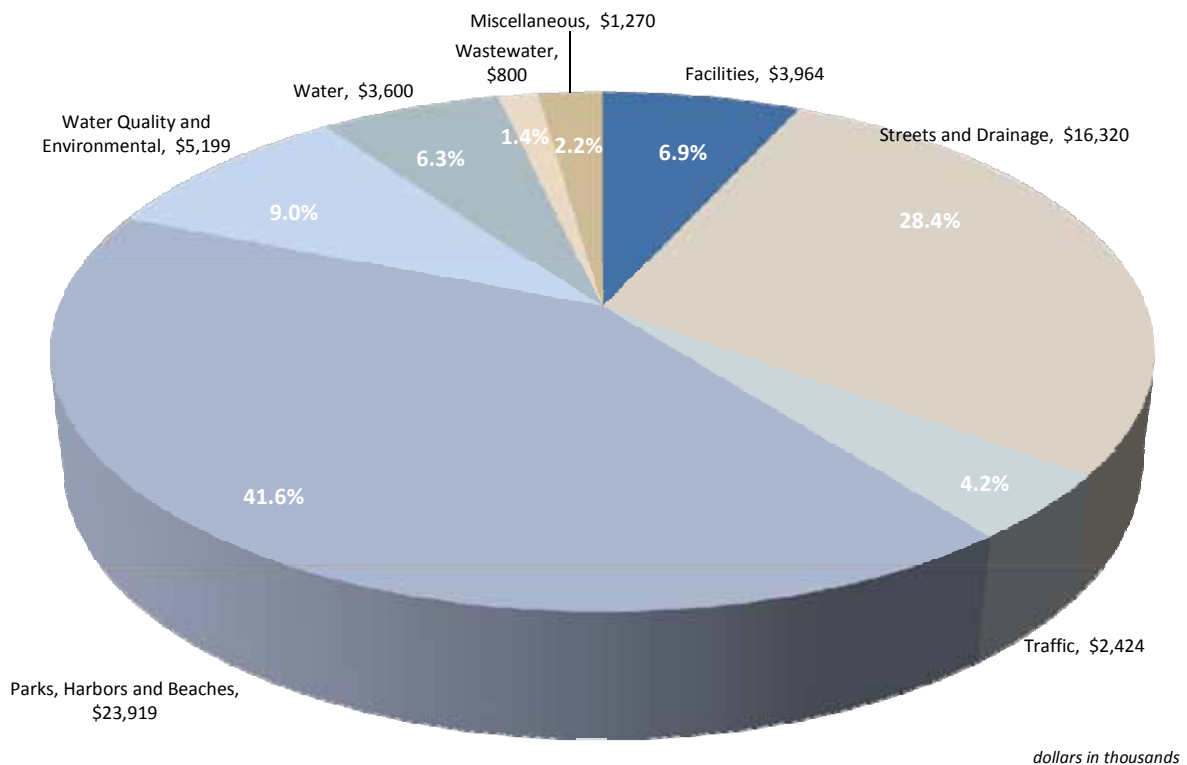
Environmental Liability Fund

As part of the City's franchise agreements with commercial solid waste haulers, the City collects 5.50 percent of their gross receipts that are set aside to defray the cost of any legal or environmental costs that might arise connected with the collecting, hauling and dumping of waste originating within the City. These funds are used to provide the City with environmental liability insurance and to conduct waste related environmental assessments.

Capital Improvement Program

The City of Newport Beach Capital Improvement Program (CIP) serves as a plan for the provision of public improvements, special projects, on-going maintenance programs and the implementation of the City's master plans. Projects in the CIP include improvements and major maintenance on arterial highways, local streets and alleys; storm drain and water quality improvements; harbor, bay, pier and beach improvements; park and facility improvements; water and wastewater system improvements; transportation safety and traffic signal improvements; and planning programs and studies.

The adopted FY 2011-12 CIP consists of 56 projects representing more than \$26 million in new appropriations and over \$31 million in rebudgeted funds for a total CIP budget of \$57,497,180. Major funding initiatives include harbor and bay dredging, traffic signal and signage improvements, water transmission main improvements and environmental restoration. Significant work continues this fiscal year on major facilities projects such as the Civic Center and Park, Marina Park and Sunset Ridge Park.



Projects are organized by primary function or benefit into one of the following categories: Facilities; Streets and Drainage; Traffic; Parks, Harbors and Beaches; Water Quality and Environmental; Water; Wastewater; and Miscellaneous, as shown in the chart above.

Given the current fiscal climate, the development of the adopted CIP was limited to meeting Council priorities and master plan requirements. Essential projects were prioritized and summarized by available funds and are presented to the City Council for consideration. Funding of capital projects is derived from multiple funding sources.

Highlights of the adopted CIP budget for FY 2011-12 are presented by category as follows:

Facilities

Projects organized under Facilities include construction, rehabilitation and repair of City buildings and facilities. Major projects within this category exceed \$3.9 million and include:

- Civic Center construction and insurance (\$3,214,300)
- Lifeguard Headquarters replacement design (\$400,000)
- Master Facilities planning efforts (\$300,000)
- Balboa Yacht Basin improvements (\$50,000)

Streets and Drainage

Projects organized under Streets and Drainage include construction, rehabilitation and repair of City roads, alleys, medians, bridges, sidewalks, streetlights, slopes and tide structures. Projects within this category exceed \$16.3 million and major highlights include:

- Street and alley construction and rehabilitation, including Abalone and Crystal Avenue pavement rehabilitation, Bay Avenue pavement rehabilitation, Dover Drive and Peninsula Point pavement design, Harbor View Hills and Newport Heights pavement rehabilitation, Irvine Avenue realignment, Jamboree Road improvements, major arterial streets repair program, Newport Boulevard and 32nd Street modification and Peninsula Point alley replacement (\$10,875,400)
- Slurry seal projects (\$2,220,000)
- Drainage and tide structures (\$1,652,000)
- Streetlighting (\$1,000,000)
- Sidewalk and concrete improvements (\$500,000)
- Landscape improvements (\$72,900)



Traffic

Projects organized under Traffic include traffic signal system maintenance and improvements, neighborhood traffic management, pedestrian improvements and signage. Projects within this category exceed \$2.4 million and major highlights include:

- Traffic signal modernization (\$1,619,300)
- Traffic signal rehabilitation (\$575,000)
- Traffic striping, signage and assessment (\$230,000)



Parks, Harbors and Beaches

Projects organized under Parks, Harbors and Beaches include improvements or repairs to the City's parks, harbors, docks, wharfs, piers and beaches. Projects within this category exceed \$23.9 million and major highlights include:

- Park improvements – Sunset Ridge Park, Marina Park and Bonita Canyon Sports Park (\$18,688,600)
- Harbor improvements – Balboa Marina public pier feasibility study, Balboa Yacht Basin mooring support services improvements, bulkhead repairs, sealing and groin rehabilitation, Eelgrass mapping and dredging of Linda Isle, Lower Harbor, Rhine Channel and Semeniuk Slough (\$5,180,350)
- Beach improvements – China Cove and Little Island beach management (\$50,000)

Water Quality and Environmental

Projects organized under Water Quality and Environmental include studies, improvements and programs that benefit the City's natural resources. Projects within this category approximate \$5.2 million and major highlights include:

- Buck Gully Canyon stabilization and flood control project (\$1,759,600)
- Big Canyon Wash Restoration (\$1,575,000)
- Newport Coast Protection Implementation Program (\$1,775,000)
- Irrigation-citywide central computer system (\$90,000)

Water and Wastewater

Projects organized under Water and Wastewater are funded from respective service charges and are used for the rehabilitation and expansion of these services. Projects within these categories approximate \$4.4 million and major highlights include:

- Water transmission and main improvements (\$3,600,000)
- Sewer main improvements (\$700,000)
- Wasterwater master planning (\$100,000)

Miscellaneous

Projects organized under Miscellaneous are ones that do not fit into any other category and include capital purchases and special projects. Projects within these categories exceed \$1.2 million and highlights include:

- Santa Ana Heights utility undergrounding (\$1,175,600)
- Underground Utility Credits (\$94,130)

Conclusion

The City continues to undertake an ambitious and wide-ranging capital improvement program. The projects, both significant and diverse, serve all areas of the City. It is the City's policy to appropriate sufficient funds for all projects scheduled during the coming budget year. Many of the projects require multiple year terms to complete them. In such cases, only the current phase identified to be completed during FY 2011-2012 is budgeted and appropriated. Subsequent phases of a project and projects requiring more time or funding are reconsidered at the appropriate time. Our project delivery team of engineers, support staff and consultants are tasked with managing more complex workloads while maintaining high quality standards. Creative project management solutions and alternative delivery methods continue to play a key role in our future success.

Schedule

Updated project information is available online. Real-time information on capital projects, such as schedules, budget and contacts, can be searched by location (map format) or by title (log format). Projects can be filtered by phase including planning, design, construction, completion. Information on projects being done within the City's limits by other public agencies is also included on the City's construction map. To access the Public Works construction map, go to www.newportbeachca.gov/publicworks.

APPENDICES



TIDE AND SUBMERGED LAND FUND

Information will be updated and included in the final
Performance Plan

CAPITAL ASSET SCHEDULE

as of June 30, 2010

Description	Year of Acquisition	Historical Cost
Administration and Services		
City Hall Complex	1930	\$2,347,623
Corporate Yard - General Services	1955	\$6,131,259
Safety		
Fire Station #1 - Balboa	1962	\$81,615
Fire Station #2 - Headquarters	1966	\$94,419
Fire Station #3 - Fashion Island	1971	\$888,366
Fire Station #4 - Balboa Island	1994	\$1,420,602
Fire Station #5 - Corona del Mar	1950	\$237,135
Fire Station #6 - Irvine Avenue	1957	\$376,073
Fire Station #7 - Santa Ana Heights	2005	\$11,872,633
Fire Station #8 - Newport Coast	2002	\$1,816,350
Fire Station Diesel Exhaust System	2007	\$47,110
Big Canyon Fire Training Facility	2008	\$917,488
Lifeguard Headquarters	1989	\$556,483
Police Station	1973	\$3,626,878
Libraries		
Balboa	1906	\$223,225
Central	1992	\$15,413,666
Corona del Mar	1958	\$240,465
Mariners	1957	\$6,961,878
Harbors, Beaches, and Recreation		
15th Street Restrooms	1956	\$532,415
19th Street Restrooms	1940	\$2,000
38th Street Park	1925	\$212,988
Arroyo Park	2003	\$17,578,871
Back Bay View Park	2006	\$2,650,000
Bayview Landing Open Space	2008	\$1,989,330
Beach and Harbor Right of Way	various	\$52,705,580
Balboa Community Center	1956	\$131,581
Balboa Island Park	1973	\$162,397
Balboa Beach - Parking Lots and Booth	1986	\$1,619,492
Balboa Pier	1940	\$3,764,300
Balboa Pier - Concession	1982	n/a *
Balboa Pier Restroom	1957	\$245,489
Balboa Theater	1998	\$480,000
Balboa Yacht Basin - Apartments/Garages/Parking	1960	\$150,110
Balboa Yacht Basin - Galley Café	1988	\$44,000
Balboa Yacht Basin - Headquarters/Restrooms	1984	\$158,746
Balboa Yacht Basin - Land	1930	\$1,276,308

* Leasehold improvements made by Lessee not valued

CAPITAL ASSET SCHEDULE

as of June 30, 2010 (cont.)

Description	Year of Acquisition	Historical Cost
Balboa Yacht Basin - Piers and Docks	1984	\$3,079,395
Bayside Park	1926	\$490,865
Bayview Park	1985	\$3,917,422
Begonia Park	1926	\$373,609
Big Canyon - Land	1959	\$9,586,650
Bob Henry Park	1997	\$4,480,305
Bolsa Park	1994	\$99,474
Bonita Canyon Sports Park	2004	\$5,746,983
Bonita Creek Park	2002	\$5,051,170
Boy Scout House	1960	\$2,000
Boys and Girls Club	1971	n/a *
Buck Gully Restrooms	1956	\$13,442
Buffalo Hills Park	1970	\$4,371,663
Bulkheads	various	\$2,357,628
Canyon & Harbor Watch Park	2006	\$850,000
Castaways Park	1997	\$803,052
CDM Beach - Concession	1970	\$30,994
CDM Beach - Parking Lot and Booth	1957	\$5,574,889
CDM Beach - Restrooms	1956	\$54,883
Channel Place Park	1958	\$504,202
Cliff Drive Park	1917	\$1,186,603
Cliff Drive View Park	1975	\$147,668
Eastbluff Park	1965	\$580,468
Ensign Park	1973	\$804,466
Ferry Landing Restrooms	1962	\$28,917
Galaxy Park	1962	\$255,697
Gateway Park	1999	\$1,014,620
Girl Scout House	1956	\$24,665
Grant Howald Park	1964	\$486,218
Grant Howald Park - Community Youth Center	1988	\$1,944,227
Harbor View Nature Park	1974	\$4,167,542
Inspiration Point	1953	\$16,000
Irvine Terrace Park	1960	\$1,703,456
Jasmine Creek Park	1959	\$48,961
Kings Road Park	1974	\$210,482
L Street Park	1924	\$41,948
Las Arenas Park	1956	\$133,438
Lido Park	1973	\$94,219

* Leasehold improvements made by Lessee not valued

CAPITAL ASSET SCHEDULE

as of June 30, 2010 (cont.)

Description	Year of Acquisition	Historical Cost
Little Corona Restrooms	2010	\$293,455
Lookout Point	1953	\$16,000
Los Trancos Canyon View Park	2006	\$1,280,000
M Street Park	1930	\$12,763
Mariners Park	1957	\$3,335,008
Newport Aquatic Center	1987	n/a *
Newport Coast Community Center	2006	\$15,324,797
Newport Island Park	1938	\$142,024
Newport Pier	1940	\$3,570,564
Newport Pier - Concession	1990	n/a *
Newport Pier - Restrooms	1989	\$305,188
Newport Shores Park	1906	\$57,258
Newport Theater Arts	1973	\$359,002
Newport Village Park	2006	\$2,290,000
Oasis Senior Center	1975	\$2,022,104
Ocean Front Parking Lot	1919	\$302,258
Old School Park	1917	\$24,829
Peninsula Park	1929	\$651,343
Rhine Wharf Park	1974	\$52,620
San Joaquin Hills Park	1965	\$1,162,974
San Miguel Park	1983	\$2,796,293
Santa Ana Heights Mesa Birch Park	2010	\$391,844
Spyglass Hill Park	1970	\$499,239
Spyglass Reservoir Park	1970	\$312,377
Sunset Park	1970	\$311,435
Sunset Ridge Park	2006	\$5,175,000
Veterans Park	1994	\$52,795
Washington Street Restrooms	1935	\$320,946
West Jetty View Park	1917	\$8,276
West Newport Community Center	1988	\$1,200,000
West Newport Park	1972	\$5,664,403
Westcliff Park	1962	\$729,952
Other		
608 E Balboa Parking Lot	2010	\$3,500,000
26th Street Parking Lot	1965	\$85,848
30th Street Parking Lot	1987	\$1,039,429
Avocado & San Miguel Parcel	2009	\$440,000
Balboa Bay Club - Land	1918	\$1,049,252
Bayside and Marguerite Parking Lot	1950	\$83,494
Beacon Bay - Land	1919	\$750,103

* Leasehold improvements made by Lessee not valued

CAPITAL ASSET SCHEDULE

as of June 30, 2010 (cont.)

Description	Year of Acquisition	Historical Cost
Buck Gully	2006	\$16,180,000
Cannery Village Parking Lot	1989	\$1,146,634
John Wayne Gulch	2006	\$3,920,000
Lower Castaways Parcel	2009	\$7,960,000
Mariners Mile Parking Lot	1976	\$642,081
Palm Street Parking Lot	1906	\$55,721
Vacant Land behind Central Library	1992	\$6,448,622
Equipment		
Rolling Equipment	various	\$22,932,751
Other Equipment	various	\$5,441,224
Infrastructure		
Road System	various	\$1,808,065,619
Storm Drain System	various	\$55,969,979
Bicycle Paths	various	\$42,975,504
Oil Wells	various	\$1,145,490
Walls	various	\$2,297,790
Water System		
Utility Yard	1987	\$2,222,243
Water Reducers	various	\$82,094
Water Meters	various	\$1,469,828
Water Lines/Mains	various	\$72,548,080
Fire Hydrants	various	\$488,661
Reservoirs:		
Big Canyon	1959	\$24,086,298
Spyglass	1972	\$418,244
16th Street	1996	\$3,800,000
Capitalized Interest	1995	\$1,034,462
Pump Stations	various	\$8,125,224
Wells	1996	\$3,465,113
Equipment	various	\$291,888
Sewer System		
Sewer Lines/Mains	various	\$34,167,889
Pump Stations	various	\$8,457,500
TOTAL		\$2,388,686,908

* Leasehold improvements made by Lessee not valued

EQUIPMENT MAINTENANCE AND REPLACEMENT FUND

Schedule of Rolling Equipment Replacement

Public Safety Departments

Police Department

Motorcycles (2)	\$ 48,000
Sedans (6)	\$ 170,000
Truck (1)	\$ 36,000
Station Wagon, 4x4 (2)	\$ 66,000
Sub Total	\$ 320,000

Fire Department

Pumper	\$ 555,000
Ladder Truck	\$ 1,060,000
Medic Unit	\$ 178,000
Sub Total	\$ 1,793,000

Other Departments

Municipal Opearations Department

Beach Cleaner	\$ 75,000
Truck, 3/4 Ton Pickup	\$ 30,000
Truck, 1 1/2 Ton Dump	\$ 40,000
Sewer Hydrocleaner (CNG)	\$ 300,000
Truck, 1/4 Ton	\$ 22,000
Sub Total	\$ 467,000

Recreation and Senior Services Department

Station Wagon/Crossover	\$ 30,000
Utility Trailer	\$ 3,500
Sub Total	\$ 33,500

PUBLIC SAFETY TOTAL \$2,113,000

OTHER DEPARTMENTS TOTAL \$500,500

TOTAL ALL DEPARTMENTS \$2,613,500

ROLLING STOCK IN SERVICE

	Fiscal Year 2009-10 Changes & Adjustments	Fiscal Year 2009-10 Final Inventory	Fiscal Year 2010-11 Changes & Adjustments	Fiscal Year 2011 Final Inventory	Fiscal Year 2011-12 Changes & Adjustments	Fiscal Year 2012 Final Inventory
<u>General City Operations</u>						
Passenger Cars	-2	56	0	56	-1	55
Jeeps	0	2	0	2	0	2
Trucks	-3	104	0	104	-4	100
Fire Trucks	0	14	2	16	0	16
Loadpackers	-3	22	0	22	-2	20
Street Sweepers	0	9	-4	5	-2	3
Tractors and Graders	0	4	0	4	0	4
Backhoes and Loaders	0	6	0	6	0	6
Beach Cleaners	0	3	0	3	-1	2
Trailers	0	35	0	35	-2	33
Special Equipment	0	13	0	13	-2	11
Total General City Operations	-8	268	-2	266	-14	252
<u>Police Department</u>						
Passenger Cars	0	59	0	59	0	59
Trucks	0	19	0	19	0	19
Motorcycles	0	17	0	17	0	17
Trailers	0	1	0	1	0	1
Special Equipment	0	7	0	7	0	7
Total Police Department	0	103	0	103	0	103
<u>Utility Enterprise*</u>						
Passenger Cars	0	3	0	3	0	3
Trucks	0	48	0	48	0	48
Tractors and Graders	0	2	0	2	0	2
Backhoes and Loaders	0	6	0	6	-1	5
Trailers	0	11	0	11	0	11
Special Equipment	0	17	0	17	0	17
Total Utility Enterprise	0	87	0	87	-1	86
GRAND TOTAL	-8	458	-2	456	-15	441

* Includes vehicles in both the Water and Wastewater Sections

THREE-YEAR COMPARISON OF FULL-TIME AND FTE POSITIONS

	2009-10		2010-11		2011-12	
	F/T	FTE	F/T	FTE	F/T	FTE
GENERAL CITY GOVERNMENT						
City Council	0.00	0.07	0.00	0.07	0.00	0.07
City Clerk	3.00	0.00	3.00	0.00	4.00	0.00
City Manager	8.00	2.31	8.00	2.31	7.50	0.00
Human Resources	10.00	1.50	10.00	1.50	11.00	0.75
City Attorney	8.00	0.40	10.00	0.70	9.10	0.70
Administrative Services	52.00	4.97	53.00	4.97	36.40	3.75
Total	81.00	9.25	84.00	9.55	68.00	5.27
PUBLIC SAFETY						
Police	238.00	15.55	225.00	13.42	213.00	12.17
Fire	156.00	35.26	156.00	33.13	139.50	34.37
Total	394.00	50.81	381.00	46.55	352.50	46.54
COMMUNITY DEVELOPMENT						
City Manager - Code Enforcement	6.00	0.25	5.00	0.25	0.00	0.00
Public Works - Code Enforcement	0.00	0.00	0.00	0.00	2.00	0.00
Planning	22.00	0.40	20.00	0.40	21.00	0.40
Building	31.00	1.16	31.00	1.16	31.00	1.16
Code Enforcement	0.00	0.00	0.00	0.00	4.00	0.25
Total	59.00	1.81	56.00	1.81	58.00	1.81
PUBLIC WORKS						
Public Works	32.00	2.58	32.00	2.58	29.00	2.58
Municipal Operations - Utilities Electrical	4.00	0.00	4.00	0.00	0.00	0.00
Municipal Operations - General Services	98.00	2.75	95.00	2.25	89.00	2.75
Total	134.00	5.33	131.00	4.83	118.00	5.33
COMMUNITY SERVICES						
Library	40.00	26.48	40.00	26.48	38.00	20.42
Arts & Cultural	1.00	0.00	1.00	0.00	1.00	0.00
Recreation	15.00	27.83	15.00	27.13	15.00	26.30
Senior Services	10.00	1.35	11.00	5.74	11.00	6.75
Recreation & Senior Services Admin	3.00	0.50	3.00	0.50	3.50	0.50
Total	69.00	56.16	70.00	59.85	68.50	53.97
GENERAL FUND	737.00	123.36	722.00	122.59	665.00	112.92
TIDELANDS FUND						
City Manager - Harbor Resources	5.00	8.77	4.00	1.67	0.00	0.00
Public Works - Harbor Resources	0.00	0.00	0.00	0.00	3.00	0.00
Admin Services - Parking Lots	0.00	0.00	1.00	7.10	1.00	7.10
Recreation - Tidepools	0.00	0.00	0.00	0.00	1.00	1.50
Total	5.00	8.77	5.00	8.77	5.00	8.60
WATER ENTERPRISE FUND	36.00	6.28	37.00	0.50	38.00	0.50
SEWER ENTERPRISE FUND	14.00	1.75	15.00	0.00	15.00	0.00
EQUIPMENT FUND	13.00	0.75	13.00	0.75	13.00	0.75
INFORMATION TECHNOLOGY FUND	0.00	0.00	0.00	0.00	22.00	0.50
TOTALS	805.00	140.91	792.00	132.61	758.00	123.27

Historical Capital Projects Spending

(dollars in thousands)

	2005-06 <u>Actual</u>	2006-07 <u>Actual</u>	2007-08 <u>Actual</u>	2008-09 <u>Actual</u>	2009-10 <u>Actual</u>	2010-11 <u>Estimated</u>	2011-12 <u>Projected</u>
General Fund Projects							
General Fund	6,505	5,369	9,776	5,910	7,127	6,015	4,567
Special Revenue							
CDBG	704	77	50	165	142	50	50
Gas Tax	2,231	1,065	1,362	1,866	471	4,020	3,800
Prop 1B	-	-	-	1,355	945	308	-
Tidelands	942	1,092	854	2,846	1,197	6,474	2,000
Contributions	1,837	6,720	2,499	1,016	1,649	5,707	2,712
Circulation & Transportation	1,616	869	907	587	684	5,862	2,942
Building Excise Tax	297	252	152	183	56	55	-
Measure M	1,607	2,208	246	1,710	2,088	7,394	6,573
Bike & Trailways	-	-	-	-	-	-	-
AHRP Fund	72	1,219	361	310	-	-	-
Cooperative Projects							
Environmental Liability	-	-	613	67	-	-	-
Traffic Congestion Relief	255	736	-	334	639	815	-
American Trader Oil Spill Remediation	802	101	-	10	-	-	-
Misc SAH Projects	102	82	282	136	4,895	1,256	1,177
Air Quality Management District	-	-	-	-	-	176	-
Facilities / Parks							
Newport Coast Community Center	850	6,032	113	-	-	-	-
Mariners Library	4,219	311	86	-	-	-	-
Fire Station #7	575	6,569	425	28	-	-	-
Civic Center	417	37	67	1,694	8,777	123,302	2,550
Marina Park	-	-	140	718	321	3,307	9,000
Sunset Ridge Park	-	-	-	243	660	9,956	9,500
Police Facility	-	-	-	2	-	20	-
Lifeguard Headquarters	-	-	-	30	-	-	400
OASIS Senior Center	-	-	531	2,282	9,654	4,354	-
Back Bay Science Center	450	5,895	742	217	5	16	-
SAH Community Center	101	-	-	-	-	-	-
Strategic Planning	-	-	-	-	-	-	300
Special Assessment Projects							
Assessment Districts	504	1,327	1,660	6,708	4,221	6,804	-
CIOSA Development	225	-	-	268	1,485	450	-
Bonita Canyon Development	22	93	-	-	1,032	100	68
Enterprise Fund Projects							
Water	4,395	1,900	3,303	1,433	1,808	2,917	4,637
Sewer	1,213	1,510	486	423	490	3,951	902
Internal Service Fund							
Equipment Maintenance	348	102	-	66	58	86	-
Annual Totals	30,286	43,565	24,654	30,607	48,403	193,396	51,177

Glossary

Fund Descriptions

Ackerman Donation Fund - Used to account for the disbursement of funds received from the Ackerman Trust. Such funds must be used for library and scholarship purposes.

Air Quality Management District (AQMD) Fund - Used to account for revenues received from the South Coast Air Quality Management District restricted for the use of reducing air pollution.

Arterial Highway Rehabilitation Program (AHRP) Fund – Used to account for Federal funds available through the Federal Highway Administration Arterial Highway Rehabilitation Program to share the cost of rehabilitating certain arterial roadways in the City.

Asset Forfeiture Fund - Established to account for revenues resulting from the seizure of assets in conjunction with criminal cases (primarily drug trafficking). The City's policy is that all such funds be used for enhancement of law enforcement programs.

Back Bay Science Center Fund – Used to account for revenues and expenditures related to construction of the Back Bay Science Center.

Bonita Canyon Development Fund – Used to account for the receipt and expenditure of funds for the Bonita Canyon Public Facilities Agreement. The improvements include certain public parks and recreation facilities, and street improvements and facilities.

Building Excise Tax Fund - Used to account for revenues received from builders or developers on building or remodeling projects within the City. Expenditures from this fund are used exclusively for public safety, libraries, parks, beaches, or recreational activities.

CIOSA Construction Fund - Used to account for the receipt and expenditure of funds for the Circulation Improvement and Open Space Agreement (CIOSA). The improvements include street and frontage improvements.

Circulation and Transportation Fund - Used to account for fair share revenues collected from developers and restricted for capital improvement

projects meeting the circulation element of the City's General Plan.

Civic Center/Fire Station Construction Fund - Used to account for activities related to the possible re-building or relocation of the existing City Hall complex including the Fire Station.

Community Development Block Grant (CDBG) Fund - Used to account for revenues and expenditures related to the City's Community Development Block Grant program. These funds are received from the Federal Department of Housing and Urban Development and must be expended exclusively on programs for low or moderate income individuals or families.

Compensated Absence Fund – Used to account for the City's accumulated liability for compensated absences.

Contributions Fund - Used to account for revenues received from other government agencies or private developers and expended for specific projects.

Environmental Liability Fund - Used to account for solid waste fees restricted for mitigation of future environmental liability relating to the handling of solid waste.

Equipment Fund - Used to account for the cost of maintaining and replacing the City's rolling stock fleet and the rental of the fleet to operating departments.

Fire Station #7 Fund – Used to account for receipt of revenue intended to fund the construction of a new Fire Station 7 located in the Santa Ana Heights area of the City.

General Fund - Used to account for fiscal resources, which are: a) dedicated to the general government operations of the City, and b) not required to be accounted for in another fund.

Information Technology Fund - Used to account for the cost of maintaining and replacing the City's information technology (computer) systems.

Insurance Reserve Fund - Used to account for the City's self-insured general liability and workers' compensation program.

Justice Assistance Grant (JAG) Fund – Formerly called the Local Law Enforcement Block Grant Fund. Used to account for federal support of law enforcement activities.

Library Debt Service Fund – Used to account for the debt service transactions related to the Certificates of Participation used to finance the construction of the Central Library.

Lifeguard Headquarters Fund – Used to account for revenues and expenditures associated with the development and construction of a new Lifeguard headquarters.

Marina Park Fund – Used to account for revenues and expenditures associated with the development and construction of Marina Park.

Marine Science Center Fund – Formerly called the Back Bay Science Center Fund. Used to account for revenues and expenditures related to construction of the Marine (Back Bay) Science Center.

Mariners Library Fund – Used to account for receipt of revenue intended to fund the construction of a new Mariners Branch Library.

Measure M Fund – Used to construct transportation improvement and traffic congestion relief projects. Funding is one percent of retail transaction and use tax.

Miscellaneous Santa Ana Heights Projects – Used to account for revenue and expenditures related to miscellaneous projects in Santa Ana Heights.

Newport Annexation Fund – Used to account for receipt of revenue from the Irvine Ranch Water District intended to repay Newport Coast property owners for a portion of assessment district costs, and for construction of a community center in Newport Coast.

Newport Bay Dredging Fund – Used to account for the receipt of permanent endowments intended to fund the ongoing cost of maintaining and dredging of the Upper Newport Bay.

OASIS Senior Center Fund – Used to account for revenues and expenditures associated with the development and construction of the new OASIS Senior Center.

Office of Traffic Safety Grant (OTS) Fund - Used to account for federal funding of DUI violation enforcement activities.

Oil Spill Remediation Fund – Used to account for the receipt of the settlement proceeds from the American Trader Company. These funds must be used on projects affecting the areas damaged by the spill.

Police Facility Fund – Used to account for revenues and expenditures associated with the development and construction of a new Police Facility.

Proposition 1B Fund – Used to account for state funds available through Proposition 1B to fund the maintenance and improvement of local transportation facilities.

Retiree Insurance Fund – Used to account for the cost of providing post-employment health care benefit.

Special Assessment District Fund - Used to account for the receipt and expenditure of funds received from 1911 Act and 1915 Act Assessment Districts for capital improvement projects.

State Gas Tax Fund - Accounts for all State Gas Tax related revenues and expenditures, including street repair, construction, and maintenance. State law requires that these funds be used exclusively for maintenance of the street and highway system.

Sunset Ridge Park Fund – Used to account for revenues and expenditures associated with the development and construction of Sunset Ridge Park.

Supplemental Law Enforcement Services Fund (SLESF) – Used to account for revenues received from the County to be used exclusively for front-line law enforcement activities.

Tide and Submerged Land Fund - Used to account for all revenues and expenditures related to the operation of the City's tidelands, including beaches and marinas.

Traffic Congestion Relief Fund – Used to account for all revenues received from the State Treasury as per Assembly Bill 2928. These funds must be used only for maintenance or reconstruction costs on public streets or roads.

Wastewater Enterprise Fund - Used to account for the activities associated with providing sewer services by the City to its users.

Water Enterprise Fund - Used to account for the activities associated with the transmission and distribution of potable water by the City to its users.

Accounting Terms

Accrual Basis - The basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent. The accrual basis of accounting is used to account for all proprietary (enterprise and internal service funds) fund types.

Activity - Departmental efforts that contribute to the achievement of a specific set of program objectives; the smallest unit of the program budget.

Appropriation - A legal authorization to incur obligations and to make expenditures for specific purposes.

Assessed Valuation - The valuation set upon real estate and certain personal property by the Assessor as a basis for levying property taxes.

Authorized Positions - Employee positions, which are authorized in the adopted budget, to be filled during the year.

Available (Undesignated) Fund Balance - This refers to the funds remaining from the prior year that are available for appropriation and expenditure in the current year.

Bonds - A form of borrowing (debt financing) which reflects a written promise from the City to repay a sum of money on a specific date at a specified interest rate.

Bond Refinancing - The payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.

Budget - A plan of financial activity for a specified period of time indicating all planned revenues and expenses for the budget period.

Budgetary Basis - This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.

Budget Calendar - The schedule of key dates that a government follows in the preparation and adoption of the budget.

Budgetary Control - The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

Capital Budget - The appropriation of bonds or operating revenue for improvements to facilities, and other infrastructure.

Capital Improvements - Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure.

Capital Improvements Program (CIP) - A plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term needs.

Capital Outlay - Fixed assets which have a value of \$500 or more and have a useful economic lifetime of more than one year; or, assets of any value if the nature of the item is such that it must be controlled for custody purposes as a fixed asset.

Capital Project - Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life. Also called capital improvements.

Capital Reserve - An account used to segregate a portion of the government's equity to be used for future capital program expenditures. The amount of capital reserve is roughly equal to the government's annual equipment depreciation and an amount identified as being needed for future capital acquisition.

Cash Basis - A basis of accounting in which transactions are recognized only when cash is increased or decreased.

Charges for Services - Those charges levied to individuals or organizations for the use or consumption of services provided by the City.

Certificate of Participation - A debt issue similar to issuing bonds, but less restrictive.

Consumer Price Index (CPI) - A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Debt Service - The cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

Deficit - The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Department - The basic organizational unit of government which is functionally unique in its delivery of services.

Depreciation - Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

Development Fees - Those fees and charges generated by building, development and growth in a community. Included are building and street permits, development review fees, and zoning, platting and subdivision fees.

Disbursement - The expenditure of moneys from an account.

Distinguished Budget Presentation Awards Program - A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Employee (or Fringe) Benefits - Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included is the government's share of costs for various pensions, medical and life insurance plans, etc.

Encumbrance - The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

Enterprise Fund - Used to account for City operations that are financed and operated in a manner similar to private business enterprises.

The objective of segregating activities of this type is to identify the costs of providing the services, and to finance them through user charges.

Expenditure - The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service, or settling a loss.

Expense - Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest, or other charges.

Fiscal Policy - A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs, and capital investment. Fiscal policy provides an agreed upon set of principles for the planning and programming of government budgets and their funding.

Fiscal Year - A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Newport Beach's fiscal year is July 1 through June 30.

Fixed Assets - Assets that are intended to continue to be held or used long-term, such as land, buildings, machinery, furniture, and other equipment. Fixed assets are also called capital assets.

Full-time Equivalent Position (FTE) - A part-time position converted to the decimal equivalent of a full-time position based on 2080 hours per year. For example, a part-time fiscal clerk working 20 hours per week would be the equivalent to .5 of a full-time position.

Function - A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible (e.g., public safety).

Fund - A fiscal entity with revenues and expenses which are segregated for the purpose of carrying out a specific purpose or activity.

Fund Balance - The excess of the assets of a fund over its liabilities, reserves, and carryover.

GAAP - Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

General Obligation (G.O.) Bond - This type of bond is backed by the full faith, credit, and taxing power of the government.

Goal - A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless.

Governmental Accounting Standards Board (GASB) – The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments.

Grants - A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

Indirect Cost - A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.

Infrastructure - The physical assets of a government (e.g., streets, water, sewer, public buildings, and parks).

Intergovernmental Revenue - Funds received from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Internal Service Charges - The charges to user departments for internal services provided by another government agency, such as equipment maintenance and replacement charges, or insurance funded from a central pool.

Lapsing Appropriation - An appropriation made for a certain period of time, generally for the budget year. At the end of the specified period any unexpected or unencumbered balance lapses or ends, unless otherwise provided by law.

Levy - To impose taxes for the support of government activities.

Line-item Budget – A budget prepared along departmental lines that focuses on what is to be bought.

Long-term Debt – Debt with a maturity of more than one year after the date of issuance.

Maintenance and Operations – Expendable materials and operating supplies necessary to conduct departmental operations.

Modified Accrual Basis – The basis of accounting in which revenues are recognized when they become both “measurable” and “available” to finance expenditures or the current period. All governmental and fiduciary fund types are accounted for using the modified accrual basis of accounting.

Net Budget – The legally adopted budget less all interfund transfers and interdepartmental charges.

Object of Expenditure – An expenditure classification, referring to the lowest and most detailed level of classification, such as electricity, office supplies, asphalt, etc.

Obligations – Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Revenue – Funds that the government receives as income to pay for on-going operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Operating Expenses – The cost for personnel, materials, and equipment required for a department to function.

Performance Budget – A budget wherein expenditures are based primarily upon measurable performance of activities and work programs.

Prior-Year Encumbrances – Obligations from previous fiscal years in the form of purchase orders, contracts, or salary commitments which are chargeable to an appropriation, and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Program – A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.

Program Budget – A budget that allocates money to the functions or activities of a government rather than to specific items of cost or to specific departments.

Program Performance Budget – A method of budgeting whereby the services provided to the residents are broken down in identifiable service programs or performance units. A unit can be a department, a division, or a workgroup. Each program has an identifiable service or output and objectives to effectively provide the service. The effectiveness and efficiency of providing the service by the program is measured by performance indicators.

Program Revenue (Income) - Revenues earned by a program, including fees for services, license and permit fees, and fines.

Purpose - A broad statement of the goals, in terms of meeting public service needs, that a department is organized to meet.

Reserve - An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

Resolution - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources - Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

Revenue - Sources of income financing the operations of government.

Revenue Bond - A bond that is backed only by the revenues from a specific enterprise or project, such as a hospital or toll road.

Secured Property Tax – A tax levied on both real and personal property according to the property's valuation and the tax rate.

Service Indicators - Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.

Source of Revenue - Revenues are classified according to their source or point of origin.

Supplemental Appropriation - An additional appropriation made by the governing body after the budget year has started.

Tax Levy - The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.

Taxes - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Transfers In/Out - Amounts transferred from one fund to finance the services for the recipient fund.

Transient Occupancy Tax – A tax paid to the City for short-term lodging/residency within the City limits. Short-term is defined as 30 days or less.

Unencumbered Balance - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

Unreserved Fund Balance - The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

Unsecured Property Tax – The property tax on unsecured property such as business inventory or moveable equipment.

User Charges - The payment of a fee for direct receipt of a public service by the party who benefits from the service.

Working Capital - Excess of readily available assets over current liabilities. Or cash on hand equivalents which may be used to satisfy cash flow needs.